



*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

Council Offices  
16 Church Street  
Dumbarton  
G82 1QL

20 September 2022

Dear Sir/Madam

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

You are requested to attend a meeting of the above Joint Board to be held at **11.00 a.m. on Friday, 30 September 2022** in the **Brock Meeting Room, First Floor, Council Offices, 16 Church Street, Dumbarton G82 1QL.**

The business is as shown on the enclosed agenda.

Please note that immediately following the conclusion of the meeting a presentation will be given to Members on the responsibilities of the Assessor and Electoral Registration Officer.

Tea and coffee will be provided on arrival and a light buffet lunch will be provided after the meeting.

Please advise [committee.admin@west-dunbarton.gov.uk](mailto:committee.admin@west-dunbarton.gov.uk) if you are unable to attend the meeting.

Yours faithfully

**PETER HESSETT**

Clerk to the Valuation Joint Board

Distribution:-

Councillor Graham Archibald Hardie, Argyll & Bute Council  
Councillor Paul Donald Kennedy, Argyll & Bute Council  
Councillor Iain James MacQuire, Argyll & Bute Council  
Councillor Iain Shonny Paterson, Argyll & Bute Council  
Councillor Peter Wallace, Argyll & Bute Council

Councillor Jim Gibbons, East Dunbartonshire Council  
Councillor Stewart MacDonald, East Dunbartonshire Council  
Councillor Vaughan Moody, East Dunbartonshire Council  
Councillor Willie Paterson, East Dunbartonshire Council  
Councillor Andrew Polson, East Dunbartonshire Council  
Councillor Calum Smith, East Dunbartonshire Council

Councillor Karen Conaghan, West Dunbartonshire Council  
Councillor Craig Edward, West Dunbartonshire Council  
Councillor Jonathan McColl, West Dunbartonshire Council  
Councillor John Millar, West Dunbartonshire Council  
Councillor Lawrence O'Neill, West Dunbartonshire Council

All Substitute Members for information

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

**FRIDAY, 30 SEPTEMBER 2022**

**AGENDA**

**1 APOLOGIES**

**2 DECLARATIONS OF INTEREST**

Members are invited to declare if they have an interest in any of the items of business on this agenda and the reasons for such declarations.

**3 MINUTES OF PREVIOUS MEETING 7 – 13**

Submit, for approval as a correct record, the Minutes of Meeting of the Valuation Joint Board held on 24 June 2022.

**4 POST OF ASSESSOR & ELECTORAL REGISTRATION OFFICER – RECRUITMENT 15 – 16**

Submit report by the Assessor & Electoral Registration Officer:-

- (a) advising on progress in relation to the recruitment process for the soon to be vacant post of Assessor & Electoral Registration Officer; and
- (b) seeking approval to fill the post of Depute Assessor & ERO should the vacancy arise as a result of the above process.

**5 INTERNAL AUDIT REPORT 2022 17 – 28**

Submit report by the Assessor & Electoral Registration Officer:-

- (a) reporting on the recently completed Internal Audit of the implementation of digital processes as a result of the Coronavirus pandemic;
- (b) seeking approval of the Actions contained in the above Internal Audit Report; and
- (c) advising of progress in relation to the agreed Action Plan.

- 6      AUDIT SCOTLAND'S DRAFT ANNUAL AUDIT REPORT TO MEMBERS AND THE CONTROLLER OF AUDIT      29 – 60**
- Submit report by the Treasurer advising of Audit Scotland's Draft Annual Audit Report to Members and the Controller of Audit 2021/22.
- 7      ANNUAL ACCOUNTS FOR YEAR ENDING 31 MARCH 2022      61 – 118**
- Submit report by the Treasurer presenting the Annual Accounts for the year ending 31 March 2022.
- 8      REVENUE & CAPITAL BUDGETARY CONTROL REPORT TO 31 AUGUST 2022 (PERIOD 5)      119 – 126**
- Submit report by the Treasurer advising on the progress of the revenue budget and the capital programme for 2022/23.
- 9      UPDATE OF THE VALUATION JOINT BOARD FINANCIAL REGULATIONS      127 – 147**
- Submit report by the Treasurer seeking approval of the revised Financial Regulations.
- 10     NON-DOMESTIC RATING AND COUNCIL TAX VALUATION UPDATE      149 – 153**
- Submit report by the Assessor & Electoral Registration Officer advising of:-
- (a) the preparations being made for the 2023 general Revaluation of all non-domestic property;
  - (b) ongoing activities to implement the Non-Domestic Rating (Scotland) Act 2020 and the recommendations of the 'Barclay' Review;
  - (c) progress in relation to maintenance of the Non-Domestic Rating (NDR) valuation roll;
  - (d) progress in relation to the disposal of 2017 Revaluation and 'running roll' appeals; and
  - (e) progress in relation to the Assessor's Council Tax valuation function.

**11 ELECTORAL REGISTRATION PROGRESS 155 – 157**

Submit report by the Assessor & Electoral Registration Officer providing an update on the current position in relation to Electoral Registration.

**12 RECORDS MANAGEMENT PLAN 159 – 178**

Submit report by the Depute Assessor & Electoral Registration Officer providing an update on progress towards complying with the Public Records (Scotland) Act 2011 and informing of the Keeper's Assessment Team's Progress Update Review Report.

**13 DATES OF FUTURE MEETINGS**

The Joint Board is requested to agree the date, time, venue and format of its next meetings in February or March 2023, and June 2023.



**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

At a Hybrid Meeting of the Dunbartonshire and Argyll & Bute Valuation Joint Board held in the Civic Space, 16 Church Street, Dumbarton on Friday, 24 June 2022 at 11.03 a.m.

**Present:** Councillors Iain James MacQuire and Peter Wallace, Argyll & Bute Council; Councillors Jim Gibbons, Stewart MacDonald, Vaughan Moody, Willie Paterson and Calum Smith, East Dunbartonshire Council and Councillors Karen Conaghan, Craig Edward and Lawrence O'Neill, West Dunbartonshire Council.

**Attending:** David Thomson, Assessor & Electoral Registration Officer (ERO); Russell Hewton, Depute Assessor & Electoral Registration Officer; Laurence Slavin, Treasurer; Janine Corr, Accountant and Ashley MacIntyre and Lynn Straker, Committee Officers, West Dunbartonshire Council.

**Also Attending:** Christopher Gardner, Senior Audit Manager, Audit Scotland.

**Apologies:** Apologies for absence were intimated on behalf of Councillors Graham Archibald Hardie, Paul Donald Kennedy and Iain Shonny Paterson, Argyll & Bute Council and Councillors Jonathan McColl and John Millar, West Dunbartonshire Council.

**DECLARATIONS OF INTEREST**

It was noted that there were no declarations of interest in any of the items of business on the agenda.

**MEMBERSHIP OF VALUATION JOINT BOARD**

A report was submitted by the Clerk to the Valuation Joint Board providing details of the Members appointed to the Joint Board by the constituent authorities following the local government elections in May 2022.

After discussion and having heard the Assessor and Electoral Registration Officer in further explanation and in answer to Members' questions, the Joint Board agreed that the position with respect to the membership of the Valuation Joint Board be noted.

## **APPOINTMENT OF CONVENER AND DEPUTE CONVENER**

In terms of the Standing Orders of the Valuation Joint Board and having heard the Assessor and Electoral Registration Officer in further explanation, Councillor Paterson seconded by Councillor Gibbons moved that Councillor Moody be appointed Convener to the Joint Board. Councillor Conaghan moved that Councillor O'Neill be appointed as Depute Convener. The Joint Board agreed unanimously to both appointments, and Councillor Moody assumed the Chair.

### **Councillor Vaughan Moody in the Chair**

## **APPOINTMENT OF MEMBERS TO SUB-COMMITTEES, ETC.**

The Joint Board was requested to consider the appointment of Members to the Sub-Committees listed below. The Assessor and Electoral Registration Officer advised that membership of the Sub-Committees normally consisted of 3 Joint Board Members, 1 from each constituent authority, with the Convener and the Depute Convener being Members.

After discussion and having heard the Assessor and Electoral Registration Officer in further explanation and in answer to Members' questions, the Joint Board agreed the appointment of Members to the following Sub-Committees:-

- (a) Appeals Sub-Committee  
Councillor Moody, East Dunbartonshire Council and Councillor O'Neill, West Dunbartonshire Council;
- (b) Property Sub-Committee  
Councillor Moody, East Dunbartonshire Council and Councillor O'Neill, West Dunbartonshire Council;
- (c) Finance Sub-Committee  
Councillor Moody, East Dunbartonshire Council and Councillor O'Neill, West Dunbartonshire Council; and
- (d) Recruitment Panel  
Councillor Moody, East Dunbartonshire Council and Councillor O'Neill, West Dunbartonshire Council.

The Joint Board agreed that Argyll & Bute Council would confirm its appointments to the sub-committees in due course.

## **ADJOURNMENT**

Due to technical issues with sound, the Joint Board agreed to adjourn for a short period to allow officers to try to resolve the issue.

The meeting reconvened at 11.35 a.m.

Due to the technical issues not having been resolved, the Joint Board agreed to continue the meeting in-person only with all those Members present in the Civic Space.

Those Members and officers who were unable to re-join the meeting remotely were Councillor Iain James MacQuire, Argyll & Bute Council; Councillor Stewart MacDonald, East Dunbartonshire Council; Councillor Craig Edward, West Dunbartonshire Council and Christopher Gardner, Audit Scotland.

### **MINUTES OF PREVIOUS MEETING**

The Minutes of Meeting of the Valuation Joint Board held on 4 March 2022 were submitted and approved as a correct record.

### **NON-DOMESTIC RATING AND COUNCIL TAX VALUATION UPDATE**

A report was submitted by the Assessor and Electoral Registration Officer advising:-

- (a) of progress in relation to the Assessor's Non-Domestic Rating (NDR) valuation function;
- (b) of progress in relation to the disposal of 2017 Revaluation and 'running roll' appeals;
- (c) of on-going activities to implement the Non-Domestic Rating (Scotland) Act and the recommendations of the 'Barclay' Review;
- (d) of the preparations being made for the 2023 Revaluation of non-domestic property;
- (e) of progress in relation to the Assessor's Council Tax valuation function; and
- (f) on the effects of the ongoing COVID-19 outbreak on NDR and Council Tax functions.

After discussion and having heard the Assessor and Electoral Registration Officer in further explanation, the Joint Board agreed:-

- (a) to note the current position in relation to disposal of Non-Domestic Rating appeals that are before the Lands Tribunal,
- (b) to note progress in relation general maintenance of the Valuation Roll and the current position in relation to 'running roll' appeals,

- (c) to note the progress and planning which was ongoing to effect the Non-Domestic Rating(Scotland) Act and the recommendations of the 'Barclay' Review,
- (d) to note the ongoing preparations for the 2023 Revaluation,
- (e) to note that the powers of the local Valuation Appeal Committees will transfer to the First Tier Tribunal of the Local Taxation Chamber of the Scottish Courts and Tribunal Service on 1 January 2023, to coincide with the introduction of a new 2-stage proposal and appeals system,
- (f) to note the progress in relation to general maintenance of the Council Tax List, including the disposal of Council Tax proposals and appeals, and
- (g) to note the ongoing consideration of the COVID situation and flexible approach to management of office working.

### **ELECTORAL REGISTRATION UPDATE**

A report was submitted by the Assessor and Electoral Registration Officer providing an update on the current position in relation to Electoral Registration.

After discussion and having heard the Assessor and Electoral Registration Officer in further explanation and in answer to Members' questions, the Joint Board agreed to note the contents of the report.

### **BEST VALUE – PERFORMANCE REPORTING AND PLANNING**

A report was submitted by the Assessor and Electoral Registration Officer:-

- (a) providing an update on progress in relation to Best Value and, in particular, advising on external performance reports for the year 2021/22;
- (b) seeking approval of the Public Performance Report for 2021/22; and
- (c) seeking approval of the Key Performance Indicator (KPI) targets for 2022/23.

After discussion and having heard the Assessor and Electoral Registration Officer in further explanation, the Joint Board agreed:-

- (a) to note the performance in relation to the Valuation Roll and Council Tax List KPIs for 2021/22.;
- (b) to approve the Public Performance Report for 2021/22; and
- (c) to approve the KPI targets for 2022/23.

## **BEST VALUE – SERVICE PLANNING**

A report was submitted by the Assessor and Electoral Registration Officer seeking approval of the April 2022 update to the approved 2021-24 Service Plan.

After discussion and having heard the Assessor and Electoral Registration Officer in further explanation, the Joint Board agreed to approve the April 2022 update to the Service Plan for the period 2021-24.

## **BEST VALUE – CUSTOMER SERVICE UPDATE**

A report was submitted by the Assessor and Electoral Registration Officer advising of:-

- (a) the results from the Customer Consultation process during 2021/22; and
- (b) the outcomes from the Complaints Procedure during 2021/22.

After discussion and having heard the Assessor and Electoral Registration Officer in further explanation, the Joint Board agreed:-

- (a) to note the positive results from the Customer Satisfaction Survey; and
- (b) to note the results from the Complaints Procedure.

## **BEST VALUE – RISK MANAGEMENT UPDATE**

A report was submitted by the Assessor and Electoral Registration Officer seeking approval of the Joint Board's Risk Register for 2022/23.

After discussion and having heard the Assessor and Electoral Registration Officer in further explanation, the Joint Board agreed to approve the Board Risk Register, including the actions shown therein, for 2022/23.

## **DRAFT ANNUAL ACCOUNTS FOR YEAR ENDING 31 MARCH 2022**

A report was submitted by the Treasurer presenting the Draft Annual Accounts for the year ending 31 March 2022.

After discussion and having heard the Accountant in further explanation, the Joint Board agreed:-

- (a) to note the contents of the report and the financial position of the Board as at 31 March 2022;
- (b) to note the Draft Management Commentary and Financial Statements for the year to 31 March 2022; and

- (c) to note that the audited accounts will be reported to a future meeting for approval.

### **ASSURANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2022 FROM THE SHARED SERVICE MANAGER – AUDIT & FRAUD**

A report was submitted by the Treasurer advising of the contents of the annual Assurance Statement given to Members of the Board in support of the Annual Governance Statement, and outlining how audit assurances are obtained.

After discussion and having heard the Accountant in further explanation, the Joint Board agreed to note the contents of the annual Assurance Statement for the year ended 31 March 2022.

### **INFORMATION AND COMMUNICATIONS TECHNOLOGY STRATEGY**

A report was submitted by the Depute Assessor and Electoral Registration Officer seeking approval of the Valuation Joint Board's Information and Communications Technology Strategy.

After discussion and having heard the Depute Assessor and Electoral Registration Officer in further explanation, the Joint Board agreed to approve the ICT Strategy.

### **CODES OF CONDUCT FOR MEMBERS AND OFFICERS**

A report was submitted by the Assessor and Electoral Registration Officer:-

- (a) advising new members of the Joint Board on the approach to Codes of Conduct for Members; and
- (b) seeking approval of a revised Code of Conduct for Employees.

After discussion and having heard the Assessor and Electoral Registration Officer in further explanation, the Joint Board agreed:-

- (a) to note that Members should comply with the Codes of Conduct of their own authorities; and
- (b) to approve the revised Code of Conduct for Employees.

### **DATE OF NEXT MEETING AND NEW MEMBER TRAINING**

The Joint Board agreed:-

- (a) that the date, time, venue and format of its next meeting in September 2022 would be confirmed in due course; and

- (b) that the date, time, venue and format of a training session for new Members of the Joint Board would be confirmed in due course.

The meeting closed at 12.05 p.m.

DRAFT



**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 30 September 2022

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**Subject: Post of Assessor & Electoral Registration Officer – Recruitment****1.0 Purpose**

- 1.1 To advise Joint Board Members on progress in relation to the recruitment process for the soon to be vacant post of Assessor & Electoral Registration Officer.
- 1.2 To seek approval to fill the post of Depute Assessor & ERO should the vacancy arise as a result of the above process.

**2.0 Background**

- 2.1 On 14 July 2022, I gave the Convenor and Clerk to the Valuation Joint Board, Notice of my intention to retire from the post of Assessor & Electoral Registration Officer with effect from 3 January 2023.
- 2.2 In accordance with the Section 27 of the Local Government, etc. (Scotland) Act 1994 and section 8 of the Representation of the Peoples Act 1983, the Joint Board must appoint an Assessor & ERO. Chief Officer recruitment is a matter which is reserved to the Joint Board within the Board's Scheme of Delegated Powers.
- 2.3 It was agreed with the Convenor of the Joint Board that it would not be in the Joint Board's best interests to wait until this meeting to trigger the recruitment process. Members' approval to commence the process was therefore sought by circular, issued by email, on 22 July 2022.

**3.0 Progress**

- 3.1 By 11 August a majority of Members had indicated their approval and none had responded to the contrary. The recruitment process was therefore commenced.
- 3.2 The post of Assessor & ERO was advertised, through the myjobscotland recruitment web site and by circulation to other Assessors' offices, on 30 August with a closing date of 13 September.
- 3.3 At the closing date, one suitable application had been received and the Recruitment Sub-Committee agreed that the candidate should be invited for interview.

**4.0 Next Steps**

- 4.1 **The** Recruitment Sub-Committee will convene, on 4 October (provisional, at time of writing) to carry out an interview and assessment of the candidate.

- 4.2 Assuming a successful interview, the candidate will, subject to usual pre-employment checks and reference, be offered the post and issued with a contract of employment.
- 4.3 The period between the recruitment and the end of December will be used to ensure as complete and smooth a transition as is possible.
- 4.4 Given that the Joint Board is not scheduled to meet again until February/March 2023, the outcome of the recruitment process will be advised to members by circular. A Minute of the Recruitment Sub-Committee meeting will be presented to the Joint Board at its next meeting.
- 4.5 If the current candidate is appointed to the post of Assessor & ERO, the post of Depute Assessor & ERO will become vacant. In that event, the Joint Board's approval would be required to commence recruitment to fill the vacant post.

## **5.0 Recommendations**

5.1 Members are asked to:-

(a) Note progress in the recruitment of a new Assessor & ERO, and

(b) Approve the initiation of a recruitment process to fill the post of Depute Assessor & ERO, should the existing Depute be appointed to the post of Assessor & ERO.

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### Person to contact:

David Thomson (Assessor and ERO)

Tel: 0141 562 1260 / 07920 596275

E-mail: [david.thomson@dab-vjb.gov.uk](mailto:david.thomson@dab-vjb.gov.uk)

## DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – September 2022

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**Subject: Internal Audit Report 2022**

### **1.0 Purpose of Report**

- 1.1 To report on the recently completed Internal Audit of the implementation of digital processes as a result of the Coronavirus pandemic.
- 1.2 To seek Members' approval of the Actions contained in the above Internal Audit Reports.
- 1.3 To advise Members of progress in relation to the agreed Action Plan.

### **2.0 Background**

- 2.1 The Internal Audit process supports the Joint Board's Governance, improvement efforts and management planning. Internal Audit Services are provided by West Dunbartonshire Council.

### **3.0 Progress**

- 3.1 As part of the Audit Planning process, consideration was given to the key risks and issues facing the Assessor & ERO.
- 3.2 It was agreed that the 2022 Audit should review and give assurance on the digital processes introduced by the Valuation Joint Board as a result of the pandemic. The objective of the audit was to provide management and the Joint Board with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks in relation to these new digital processes.
- 3.3 Consideration was given to processes which had previously been completed manually or using paper, across Council Tax, Non-Domestic Rating, Electoral Registration and Financial functions.
- 3.4 Audit Field work took place in the period March – June 2022 and a report was produced in late June 2022.
- 3.5 The review concluded that the overall control environment was 'Satisfactory' and the auditor noted a high degree of internal controls in place relating to the current arrangements. Notwithstanding the above, three areas were identified which, whilst

not systemic, put some objectives at risk. Actions that would improve the control environment were agreed for these issues.

3.6 The Audit Report is attached for Members' consideration.

#### **4.0 Next Steps**

4.1 Standard operational procedures for recording and claiming overtime, to be followed by both staff and management, have been drafted and approved by the Board's Management Team.

4.2 Standard operational procedures for claiming expenses, including a procedure for scanning and retaining copies of receipts, have been drafted and approved by the Board's Management Team.

4.3 Both of these procedures have now been implemented.

4.4 The actions to consolidate operational manuals covering all aspects of operations, and standardising practice across the Board's two offices is, and will be, an ongoing process. Similarly, some of the suggestions for ICT systems development, which were beyond the scope of the audit objectives, will take significant time and can only be addressed when the current priorities to ensure compliance with imminent statutory change have been successfully delivered.

#### **5.0 Recommendations**

5.1 Members are asked to:-

(a) Note the positive conclusions of the recently completed Internal Audit Report as regards the control environment around processes which were digitised.

(b) Approve the Action Plan contained in the Audit Report.

(c) Note that two of the actions have been completed.

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Person to contact:  
David Thomson (Assessor and ERO)  
Tel: 07920 596275  
E-mail: david.thomson@dab-vjb.gov.uk

#### Appendices

Appendix 1 – Internal Audit Report on the Development and implementation of digital processes as a result of the pandemic.

Internal Audit Review  
Valuation Joint Board  
Development and implementation of digital processes as a result of the pandemic

June 2022

FINAL

**Control Environment Opinion:  
SATISFACTORY**

In our opinion *isolated* areas of control weakness were identified which, whilst not systemic, put some service objectives at risk.

	RED	AMBER	GREEN
FINDINGS	0	3	0

**Draft Distribution**

To: David Thomson, Assessor & Electoral Registration Officer

Cc: Andi Priestman, Chief Internal Auditor

## 1. EXECUTIVE SUMMARY

### Introduction

This audit was conducted between April and June 2022 in accordance with the 2021/2022 Internal Audit Plan, as agreed by the West Dunbartonshire Council Audit Committee.

### Background

As a consequence of the pandemic to continue operations, there has been a requirement to quickly adopt changes to processes and procedures which previously involved manual paper based methods of working to digital methods of processing and approvals.

### Objectives

The objective of this audit is to provide management and the Valuation Joint Board with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks in relation to digital processes adopted by the Valuation Joint Board as a result of pandemic.

### Scope & Approach

The scope of the review covered all key processes previously paper based and any changes adopted digitally to allow the business to run effectively during the pandemic. To facilitate this audit key risks were outlined in the agreed Terms of Reference set out at Appendix 1.

The audit approach was planned to fall in line with the agreed Terms of Reference and included:

- review of all key digital changes to processes brought about as a result of the pandemic by the Joint Valuation Board
- audit testing of approvals, particularly walkthrough tests of purchases orders, invoices, overtime, expenses and digital storage of these documents, recording and timeous and accurate action of mail, recording and changes to rates, council tax and electoral roll updates at the Valuation Joint Board to confirm that controls and procedures are being followed and highlight where controls are weak.
- review Valuation Joint Board operations / procedures manual.

## Summary Findings

There are three AMBER issues which we consider to be individually significant and which are summarised in the following table. These issues are set out in more detail in Section 2 of this report, together with management's intended action to strengthen the control environment. (The audit Grading Criteria is provided in Appendix 2).

AMBER	<b><u>Adequacy of Procedural Documentation</u></b>
	Audit testing has identified that the Valuation Joint Board do not have a standard operational procedures manual for the two offices based in Clydebank and Campbeltown. Specifically processes in many admin areas were different at the two offices and are currently under review to bring in a standardised approach.
	<b><u>Adequacy of Controls for Overtime Payments</u></b>
	Audit testing has identified that the Valuation Joint Board do not have a standard procedure in relation to overtime claims.
	<b><u>Receipt retention policy for employee expenses</u></b>
	Audit has identified that the Valuation Joint Board do not have a standard procedure in relation to retention of receipts for employee expenses.

## **Summary Findings**

There are three AMBER issues identified which if implemented by management would improve the control environment. These are set out in more detail at Section 2 of this report. (The audit Grading Criteria is provided in Appendix 2).

## **Conclusions**

The overall control environment opinion for this audit review was **Satisfactory**.

We are pleased to note a high degree of internal controls in place relating to the current arrangements for processing Valuation Joint Board.

## **Acknowledgements**

The co-operation and assistance of all staff during the audit was greatly appreciated.

**Andi Priestman**  
Chief Internal Auditor

**Lesley McCabe**  
Lead Internal Auditor

## 2 DETAILED FINDINGS

FINDING	RISK/IMPACT/RULE BREACH	AGREED ACTION	RESPONSIBILITY DUE DATE
<div style="background-color: orange; color: white; padding: 5px; text-align: center; font-weight: bold;">AMBER</div> <p><b><u>Adequacy of Procedural Documentation</u></b></p> <p>Audit testing has identified that the Valuation Joint Board do not have a standard operational procedures manual for the two offices based in Clydebank and Campbeltown. Specifically, processes in many admin areas were different at the two offices and are currently under review to bring in a standardised approach.</p> <p>The audit identified that new processes implemented as a result of the Pandemic have made operational improvements to assist in staff home working. These improvements are documented in most areas of the business, but some have yet to be updated. Assurances have been taken on the number of validation checks involved at every level of operations.</p> <p>As an observation, when performing walkthrough sample tests on the assessor IT software, we identified some improvements that could be explored with a view to make the processes less manual in terms of checking. For example, the operational procedures would be more efficient if the assessor system could access scanned images of source documents, had the ability to produce standardised letter functionality and add an auto mail log facility. However, the current processes are adequate and assurances are clearly made.</p>	<p>At present key Valuation Joint Board staff are aware of the changes implemented as a result of the pandemic, however there is no standard operations manual and some processes have not been updated or differ between the two offices. The risk of having no or outdated procedures documented is inefficient operations.</p>	<p>A single operational manual covering all aspects of operations would be voluminous, cumbersome and potentially difficult to use. The VJB will, however, review existing guidance with a view to, consolidating existing guidance and manuals, standardising practice across the two offices (where appropriate), and ensuring guidance exists where it may currently be absent or hard to find.</p> <p>It is possible that some of the suggestions/ recommendations made are outwith the technical capability of the current database. However:-</p> <p>(a) The Assessors system core capability and functionality will be reviewed as part of the current server review (see 2022/23 capital plan)</p>	<p>Review to commence immediately. This will be an ongoing process. Management Team to oversee reviews to be completed internally.</p> <p>March 2023</p> <p>March 2023</p>

FINDING	RISK/IMPACT/RULE BREACH	AGREED ACTION	RESPONSIBILITY DUE DATE
<p><b><u>Adequacy of Procedural Documentation (Cont)</u></b></p>		<p>(b) Links to source documents such as proposals and appeals from/within the Assessors system will be developed, and</p> <p>(c) Consideration will be given to extending the capability of the assessors system to produce standard letters.</p> <p>It should be noted, however that current priorities are ensuring compliance with ongoing and imminent statutory change and that resource restrictions, in terms of both personnel and funding, limit our development capability.</p>	<p>December 2022</p> <p>Ongoing review (Several new letters will be required for January 2023)</p> <p>Depute Assessor / IT Team.</p>

FINDING	RISK/IMPACT/RULE BREACH	AGREED ACTION	RESPONSIBILITY DUE DATE
<b>MBER</b>	<p><b><u>Adequacy of Controls for Overtime Payments</u></b></p> <p>Audit testing has identified that the Valuation Joint Board do not have a standard procedure in relation to overtime claims. Audit examined the change to the overtime approval process introduced as a result of the pandemic, which is, approval of overtime claims are made with a digital supervisors signature instead of a wet signature which was previously on paper. Sampling in this area has not identified assurance risks of unauthorised or missed overtime claims, however there are at present no formal processes in place to mitigate risks of overpayment or non-payment of claims.</p>	<p>Management should ensure that the Valuation Joint Board introduce a standard operational procedure for claiming overtime to be followed by both staff and management.</p>	<p>A review to standardise and document procedures in relation to working overtime and submission of claims will be undertaken. The review will consider all the matters raised above.</p>
			<p>September 2022.</p> <p>Management Team</p>

FINDING	RISK/IMPACT/RULE BREACH	AGREED ACTION	RESPONSIBILITY DUE DATE
<p><b><u>Receipt retention policy for employee expenses</u></b></p> <p>Audit has identified that the Valuation Joint Board do not have a standard procedure in relation to retention of employee expenses receipts.                      Audit sampling did not highlight any missing records of expenditure.                      Expenses claims are submitted by employees to their line manager through the HR21 system for approval.                      Receipts for these claims are currently held by line managers responsible for approval, in either paper or digital format.</p>	<p>Management should ensure that the Valuation Joint Board introduce a standard operational procedure for filing scanned copies of expenses receipts to ensure records are readily made available for inspection.</p>	<p>A standard operational procedure for filing travel expenses receipts will be developed and implemented.</p>	<p>September 2022                      Management Team</p>

**Terms of Reference**

To review the adequacy and effectiveness of the governance, risk management and control procedures surrounding Valuation Joint Board development and implementation of digital processes as a result of the pandemic which mitigate the key risks detailed below.

**Risks**

1. Digitally submitted Invoices, overtime and expenses not being appropriately authorised, coded, duplicated or lost.
2. Unauthorised or inaccurate purchase orders being effected/used to make purchases.
3. Records of expenditure authorised by the Valuation Joint Board not filed digitally and available for inspection.
4. Non domestic rates incoming mail not being actioned appropriately, resulting in statutory notices not being issued timeously or missed, rateable values not being updated accurately or missed, unauthorised or errors recorded in rateable values to properties, incorrect appeals added, returns being missed, unrecorded or inaccurately actioned, failures in responses to queries.
5. Council Tax unauthorised amendments being processed, amendments being missed, errors or omissions in recording input of proposals / missed or lost appeals documentation, sales inappropriately recorded or missed,.
6. Council Tax and Non Domestic Rates property change information/ job sheets unrecorded or inappropriately input, failures in responses to queries
7. Electoral Register missed or unrecorded mail, notifications of death missed or recorded in error, missed issue or unrecorded returns of absent voter application forms, responses to queries not being issued timeously or issued in error.
8. Suitable training not being provided to electoral canvass staff, returns inappropriately scanned or missed, unchecked details, erroneous details recorded.

Internal Audit Report Findings – Risk/Impact Grading Criteria

<p style="text-align: center;"><b>Report Grading &amp; Criteria</b></p> <p><b>Business Risk/Impact (Actual or Potential)</b></p>	<p style="text-align: center;"><b>GREEN</b></p> <ul style="list-style-type: none"> <li>Process improvements/efficiencies may be actioned if it is cost-effective or at management’s discretion – in consultation with IA.</li> <li>To be managed by the appropriate service manager.</li> <li>Low risk - can be prioritised to fit in with wider business activities and priorities (normally start within 6 months of audit)</li> <li>Will not be reported in any Committee papers.</li> </ul>	<p style="text-align: center;"><b>AMBER</b></p> <ul style="list-style-type: none"> <li>Mandatory - corrective action must be taken (some exceptions agreed by IA)</li> <li>To be overseen to completion by Head of Service.</li> <li>Remedial action to address an amber issue should start within a “<b>reasonable</b>” timescale (normally within 3 months of audit)</li> <li>Will be reported in Audit Committee papers.</li> </ul>	<p style="text-align: center;"><b>RED</b></p> <ul style="list-style-type: none"> <li>Mandatory – immediate corrective action must be taken.</li> <li>To be overseen to completion by a member of the Corporate Mgmt Team.</li> <li>Remedial action to address a red issue should start <b>immediately</b>.</li> <li>Will be reported in Audit Committee papers.</li> </ul>
<p style="text-align: center;"><b>Financial</b></p> <p><i>Actual or potential loss which will impact either the Income &amp; Expenditure Account or Balance Sheet within any twelve-month period (i.e. loss of profit or loss of asset)</i></p>	<ul style="list-style-type: none"> <li>Process improvement identified which will enhance operational efficiency.</li> <li>Non-material control weakness.</li> </ul>	<ul style="list-style-type: none"> <li>Material impact at Service level.</li> </ul>	<ul style="list-style-type: none"> <li>Material impact at Corporate Level.</li> </ul>
<p style="text-align: center;"><b>Reputation</b></p> <p><i>Actual or potential impact to the reputation of the Council in the external environment. This includes the views held by the regulator.</i></p>	<ul style="list-style-type: none"> <li>Isolated, non-systemic, or restricted scope events that may have a limited impact on our standing with any of our business partners/stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Events that may tarnish our reputation with a specific customer, group or third parties.</li> <li>Moderate impact on our standing with our key partners/stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Strong likelihood of or actual adverse comment in the national media.</li> <li>Significant impact on our standing with any of our key partners/stakeholders</li> </ul>
<p style="text-align: center;"><b>Legal &amp; Regulatory</b></p> <p><i>Actual or potential impact arising from operational/management failure that leads to a failure to comply with regulation or legislation.</i></p>	<ul style="list-style-type: none"> <li>Isolated, non-systemic, or limited scope events which statutory body would not consider the need for additional supervision activity.</li> </ul>	<ul style="list-style-type: none"> <li>Events that may lead statutory body to consider increasing level of supervision activity; and damaging the ongoing relationship.</li> </ul>	<ul style="list-style-type: none"> <li>Events/breaches resulting in the strong likelihood of increased levels of supervision from a statutory body.</li> </ul>
<p style="text-align: center;"><b>Operational</b></p> <p><i>Actual or potential impact arising from any operational/management failure that leads to an inability to maintain a quality service to any of the Council’s stakeholders (staff, service users, customers, suppliers, regulators etc)</i></p>	<p>Impact upon the delivery of a Service area’s plan/objectives, such as:</p> <ul style="list-style-type: none"> <li>Affecting a small number of stakeholders.</li> <li>Small (non-systemic) errors, omissions or delays in operational plans, processes, projects or systems.</li> <li>Non-material failure at Service level.</li> </ul>	<p>Impact upon the delivery of a Service area’s plan/objectives, such as:</p> <ul style="list-style-type: none"> <li>Affecting a moderate number of stakeholders.</li> <li>Non-material systemic errors, omissions or delays in operational plans, processes, projects or systems.</li> <li>Material Control failure impacting at Service level.</li> </ul>	<p>Impact upon the delivery of the Council’s Corporate objectives:</p> <ul style="list-style-type: none"> <li>Affecting a significant number of stakeholders.</li> <li>Material systemic errors, omissions or delays in strategic or operational plans, processes, projects or systems.</li> <li>Material control failure impacting at Corporate level.</li> </ul>
<p style="text-align: center;"><b>Timescale for start of agreed action</b></p>	<p style="text-align: center;"><b>Discretionary (6 months)</b></p>	<p style="text-align: center;"><b>Reasonable (3 months)</b></p>	<p style="text-align: center;"><b>Immediate</b></p>

Internal Audit Report – Overall Environment Opinion

<p><b>Strong</b></p>	<p>In our opinion there is a <b>sound</b> system of internal controls designed to ensure that the service is able to achieve its objectives.</p>
<p><b>Satisfactory</b></p>	<p>In our opinion <b>isolated</b> areas of control weakness were identified which, whilst not systemic, put some service objectives at risk.</p>
<p><b>Requires improvement</b></p>	<p>In our opinion <b>systemic and/or material</b> control weaknesses were identified such that some service objectives are put at significant risk.</p>
<p><b>Unsatisfactory</b></p>	<p>In our opinion the control environment was considered <b>inadequate</b> to ensure that the service is able to achieve its objectives.</p>

## DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

### Report by Treasurer

Valuation Joint Board: 30 September 2022

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**Subject: Audit Scotland's Draft Annual Audit Report to Members and the Controller of Audit.**

#### **1. Purpose of Report**

**1.1** The purpose of this report is to advise Members of Audit Scotland's Draft Annual Audit Report to Members and the Controller of Audit 2021/22.

#### **2. Background**

**2.1** Audit Scotland has finalised their audit of the Joint Board's 2021/22 Annual Accounts.

**2.2** The final version of the Annual Accounts has been submitted to Members elsewhere in the agenda and takes account of all the agreed audit amendments to date. It is not anticipated that there will be any further changes, prior to receiving the signed audit certificate.

**2.3** Audit Scotland is required to report to Members at the conclusion of their audit and their Annual Audit Report to Members and the Controller of Audit is appended.

#### **3. Main Issues**

**3.1** Audit Scotland's Draft Annual Audit Report to Members and the Controller of Audit (September 2022) is appended to this report, along with a covering letter from the Auditors and a letter of representation from the Treasurer to the Auditors.

**3.2** The Annual Audit Report to Members and the Controller of Audit includes:

- Key messages (page 3);
- Information on the audit of the financial statements (pages 7 to 10); and
- Financial management and sustainability and governance (pages 11 to 16).

**3.3** Audit Scotland has confirmed that there are no significant findings arising during the audit of the Annual Accounts.

#### **4. Conclusion and Recommendation**

- 4.1** Members are requested to note the contents of Audit Scotland's Draft Annual Audit Report provided at Appendix 3.

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**Laurence Slavin**  
**Treasurer**  
**Date: 13 September 2022**

---

**Person to Contact:** Janine Corr, Accountant  
West Dunbartonshire Council

E-mail: [Janine.Corr@west-dunbarton.gov.uk](mailto:Janine.Corr@west-dunbarton.gov.uk)

**Appendices:** Appendix 1 - Covering Letter from Audit Scotland

Appendix 2 - Letter of representation from the Treasurer to the Auditors.

Appendix 3 - Audit Scotland's Draft Annual Audit Report to Members and the Controller of Audit (September 2022).

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## **Dunbartonshire and Argyll & Bute Valuation Joint Board**

### **Audit of 2021/22 annual accounts**

#### **Independent auditor's report**

1. Our audit work on the 2021/22 annual accounts is now substantially complete. Subject to receipt of a revised set of annual accounts for final review, plus additional information regarding revaluations of non-current assets, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 30 September 2022 (the proposed report is attached at [Appendix A](#)).

#### **Annual audit report**

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for Dunbartonshire and Argyll & Bute Valuation Joint Board's consideration our draft annual report on the 2021/22 audit. The section headed "Significant findings from the audit in accordance with ISA 260" sets out the issues identified in respect of the annual accounts.

3. The report also sets out conclusions from our consideration of the relevant audit dimensions on the wider scope of public audit as set out in the Code of Audit Practice.

4. This report will be issued in final form after the annual accounts have been certified.

#### **Unadjusted misstatements**

5. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, other than those of a trivial nature and request that these misstatements be corrected. We have no unadjusted misstatements to be corrected.

#### **Fraud, subsequent events and compliance with laws and regulations**

7. In presenting this report to Dunbartonshire and Argyll & Bute Valuation Joint Board we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the

financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

### **Representations from Treasurer**

8. As part of the completion of our audit, we are seeking written representations from the Treasurer on aspects of the annual accounts, including the judgements and estimates made.

9. A draft letter of representation should be signed and returned to us by the Treasurer with the signed annual accounts prior to the independent auditor's report being certified.

Your sincerely,

**Christopher Gardner**

Senior Audit Manager, Audit Scotland

## Appendix A: Proposed Independent Auditor's Report

### Independent auditor's report to the members of Dunbartonshire and Argyll & Bute Valuation Joint Board and the Accounts Commission

#### Reporting on the audit of the financial statements

##### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Dunbartonshire and Argyll and Bute Valuation Joint Board for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash flow Statement and Notes to the Annual Accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of the body as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

##### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 June 2021. The period of total uninterrupted appointment is two years. I am independent of Dunbartonshire and Argyll and Bute Valuation Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Dunbartonshire and Argyll and Bute Valuation Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Conclusions relating to going concern basis of accounting**

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Dunbartonshire and Argyll & Bute Valuation Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on Dunbartonshire and Argyll and Bute Valuation Joint Board's current or future financial sustainability. However, I report on Dunbartonshire and Argyll and Bute Valuation Joint Board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

## **Risks of material misstatement**

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

## **Responsibilities of the Treasurer and Joint Board for the financial statements**

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

In preparing the financial statements, the Treasurer is responsible for assessing Dunbartonshire and Argyll & Bute Valuation Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue Dunbartonshire and Argyll and Bute Valuation Joint Board's operations.

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

## **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how Dunbartonshire and Argyll and Bute Valuation Joint Board is complying with that framework;
- identifying which laws and regulations are significant in the context of Dunbartonshire and Argyll and Bute Valuation Joint Board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Dunbartonshire and Argyll and Bute Valuation Joint Board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

## **Reporting on other requirements**

### **Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report**

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

## **Other information**

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

### **Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement**

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

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

### **Matters on which I am required to report by exception**

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

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

I have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

### **Use of my report**

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

**Christopher Gardner**

**Audit Scotland**

**8 Nelson Mandela Place**

**Glasgow**

**G2 1BT**





*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

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Christopher Gardner  
Audit Scotland  
8 Nelson Mandela Place  
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G2 1BT

Dear Mr Gardner

### **Dunbartonshire and Argyll and Bute VJB Annual accounts 2021/22**

This representation letter is provided about your audit of the annual accounts of Dunbartonshire and Argyll and Bute VJB for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.

I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Assessor/ERO and the management team, the following representations given to you in connection with your audit of Dunbartonshire and Argyll and Bute VJB's annual accounts for the year ended 31 March 2022.

#### **General**

Dunbartonshire and Argyll and Bute VJB and I have fulfilled our statutory responsibilities for the preparation of the 2021/22 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by Dunbartonshire and Argyll and Bute VJB have been recorded in the accounting records and are properly reflected in the financial statements.

#### **Financial Reporting Framework**

The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (2021/22 accounting code), and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.

In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of Dunbartonshire and Argyll and Bute VJB at 31 March 2022 and the transactions for 2021/22.

### **Accounting Policies & Estimates**

All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2021/22 accounting code where applicable. All accounting policies applied are appropriate to Dunbartonshire and Argyll and Bute VJB's circumstances and have been consistently applied.

The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

### **Going Concern Basis of Accounting**

I have assessed Dunbartonshire and Argyll and Bute VJB's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Dunbartonshire and Argyll and Bute VJB's ability to continue as a going concern.

### **Assets**

Where a rolling programme of asset valuations has been used, I have satisfied myself that the carrying amount of assets at 31 March 2022 does not differ materially from that which would be determined if a revaluation had been carried out at that date.

I carried out an assessment at 31 March 2022 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.

I have provided you with all information of which I am aware regarding any valuation exercises carried out after 31 March 2022.

There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.

Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

### **Liabilities**

All liabilities at 31 March 2022 of which I am aware have been recognised in the annual accounts.

The accrual recognised in the financial statements for holiday untaken by 31 March 2022 has been estimated on a reasonable basis.

The pension assumptions made by the actuary in the IAS 19 report for Dunbartonshire and Argyll and Bute VJB have been considered and I confirm that they are consistent with management's own view.

There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

### **Contingent liabilities**

There are no significant contingent liabilities arising either under formal agreement or through formal undertakings requiring disclosure in the accounts. All known contingent liabilities have been fully and properly disclosed, including any outstanding legal claims which have not been provided under the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and IAS 37.

### **Fraud**

I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated because of fraud
- any allegations of fraud or suspected fraud affecting the financial statements
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

### **Laws and Regulations**

I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

### **Related Party Transactions**

All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2021/22 accounting code. I have made available to you the identity of all Dunbartonshire and Argyll and Bute VJB's related parties and all the related party relationships and transactions of which I am aware.

### **Remuneration Report**

The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Amendment Regulations 2014, and all required information of which I am aware has been provided to you.

### **Management commentary**

I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

### **Corporate Governance**

I confirm that Dunbartonshire and Argyll and Bute Valuation Joint Board has undertaken a review of the system of internal control during 2021/22 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements.

There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2022, which require to be reflected.

**Events Subsequent to the Date of the Balance Sheet**

All events subsequent to 31 March 2022 for which the 2021/22 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

**Laurence Slavin**  
**Treasurer, Dunbartonshire and Argyll & Bute Valuation Joint Board**

# Dunbartonshire and Argyll & Bute Valuation Joint Board

Proposed 2021/22 Annual Audit Report



 AUDIT SCOTLAND

Prepared for the Dunbartonshire and Argyll & Bute Valuation Joint Board and the Controller of Audit  
September 2022

# Contents

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Key messages	3
Introduction	4
Part 1. Audit of 2021/22 annual accounts	7
Part 2. Financial sustainability	11
Part 3. Governance and transparency	15
Appendix 1. Summary of 2021/22 national performance reports and briefing papers	17

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# Key messages

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## Audit of the 2021/22 annual accounts

- 1 Dunbartonshire and Argyll & Bute Valuation Joint Board's financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.
- 2 The audited section of the remuneration report, management commentary and annual governance statement are all consistent with the financial statements and prepared in accordance with relevant regulations and guidance.

## Financial sustainability

- 3 An operating surplus of £0.208 million was reported for the year ended 31 March 2022.
- 4 The long-term financial plan shows an increasing gap between income and expenditure in future years, with contributions expected to come from reserves.
- 5 The joint board continues to have challenges in recruitment, experiencing a high turnover of staff in 2021/22.

## Governance and transparency

- 6 Disclosures in the Annual Governance Statement are consistent with the financial statements and the statement has been prepared in accordance with the relevant statutory guidance.
- 7 The joint board's governance arrangements are appropriate.

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# Introduction

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1. This report summarises the findings from our 2021/22 audit of Dunbartonshire and Argyll & Bute Valuation Joint Board (DABVJB).
2. The scope of our audit was set out in our 2021/22 Annual Audit Plan presented to the 4 March 2022 meeting of the Joint Board. This report comprises the findings from:
  - an audit of the DABVJB's annual accounts
  - our consideration of financial sustainability
3. The global coronavirus pandemic has had an operational impact on the Dunbartonshire and Argyll & Bute Valuation Joint Board during 2021/22. This has had significant implications not least for the services it delivers but also for the delay of new legislation. Risks related to the pandemic were not included in our AAP, and we have continued to review our planned audit work to address any new emerging risks.

## Adding value through the audit

4. We add value to the Dunbartonshire and Argyll & Bute Valuation Joint Board through the audit by:
  - identifying and providing insight on significant risks, and making clear and relevant recommendations
  - sharing intelligence and good practice through our national reports and good practice guides
  - providing clear conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability
5. We aim to help DABVJB promote improved standards of governance, better management and decision making and more effective use of resources.

## Responsibilities and reporting

6. Dunbartonshire and Argyll & Bute Valuation Joint Board has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices.
7. The DABVJB is also responsible for compliance with legislation putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

**8.** Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance and International Standards on Auditing in the UK.

**9.** As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on the appropriateness and effectiveness of the performance management arrangements, the suitability and effectiveness of corporate governance arrangements, the financial position, and arrangements for securing financial sustainability. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#) and supplementary guidance.

**10.** The [Code of Audit Practice 2016](#) (the Code) includes provisions relating to the audit of small bodies. Where the application of the full wider audit scope is judged by auditors not to be appropriate to an audited body then the annual audit work can focus on the appropriateness of the disclosures in the governance statement and the financial sustainability of the body and its services. As highlighted in our 2021/22 Annual Audit Plan, due to the low volume and lack of complexity of the financial transactions, we applied the small body provisions of the Code to the 2021/22 audit.

**11.** This report raises matters from our audit. The risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

## Auditor Independence

**12.** Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies.

**13.** We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We have not undertaken any non-audit related services and therefore the 2021/22 audit fee of £7,810 as set out in our 2021/22 Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

**14.** This report is addressed to both the Dunbartonshire and Argyll & Bute Valuation Joint Board and the Controller of Audit and will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) in due course.

## Audit appointment from 2022/23

The Auditor General for Scotland is responsible for the appointment of external auditors to local government bodies. External auditors are usually appointed for a five-year term either from Audit Scotland's Audit Services Group or a private firm of accountants. The current appointment round was due to end in 2020/21 but this was extended for a year so that 2021/22 is the last year of the current appointment round.

**15.** The procurement process for the new round of audit appointments was completed in May 2022. From financial year 2022/23, Mazars will be the appointed auditor for Dunbartonshire and Argyll & Bute Valuation Joint Board. We are working closely with the new auditors to ensure a well-managed transition.

**16.** A new [Code of Audit Practice](#) applies to public sector audits for financial years starting on or after 1 April 2022. It replaces the Code issued in May 2016.

**17.** We would like to thank joint board members and its staff for their co-operation and assistance over the past six years.

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# Part 1. Audit of 2021/22 annual accounts

The principal means of accounting for the stewardship of resources and performance

---

## Main judgements

Dunbartonshire and Argyll & Bute Valuation Joint Board's financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.

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

---

## Our audit opinions on the annual accounts are unmodified

**18.** The annual accounts for the year ended 31 March 2022 were approved by the joint board on 30 September 2022. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the remuneration report, management commentary and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the applicable requirements.

## The unaudited annual accounts were submitted for audit in line with the agreed timetable

**19.** The unaudited annual accounts and working papers were received in line with our agreed audit timetable on 24 June 2022. The audit team received good support from finance staff which helped ensure the final accounts audit process ran smoothly.

## Our audit testing reflected the calculated materiality levels

**20.** Our initial assessment of materiality was carried out during the planning phase of the audit. This was reviewed and revised on receipt of the unaudited annual report and accounts and is summarised in [Exhibit 1](#). The revised materiality had no impact on the audit approach.

## Exhibit 1

### Materiality values

Materiality level	Amount
Overall materiality	£47,235
Performance materiality	£35,426
Reporting threshold	£2,300

Source: Audit Scotland

**21.** In determining performance materiality we considered the following factors; good standard of working papers and support from the client and no recent history of materially significant errors.

**22.** The overall scope of the audit was adapted to incorporate the significant assessed risk of material misstatement included within [Exhibit 2](#), by testing to ensure each risk is addressed. This was influenced by the application of materiality levels to ensure the testing was proportionate. There were no specific areas of risk identified as part of our audit approach.

### **Our audit identified and addressed the significant risks of material misstatement reported in our 2021/22 annual audit plan. We have no significant findings to report on the annual accounts**

**23.** International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices. We have no issues to report from the audit.

**24.** We have obtained audit assurances over the identified significant risks of material misstatement to the financial statements. [Exhibit 2](#) sets out the significant risks of material misstatement to the financial statements we identified in our 2021/22 Annual Audit Plan. It summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

## Exhibit 2

### Significant risks from the audit of the financial statements

Audit risk	Assurance procedure	Results and conclusions
<b>1. Risk of material misstatement due to fraud caused by management override of controls</b>	Reviewed the appropriateness of journal entries and other adjustments recorded in the general ledger and financial	<b>Results &amp; Significant Judgements:</b> Our audit testing of journal entries, significant transactions outside the normal course of

Audit risk	Assurance procedure	Results and conclusions
<p>As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<p>statements with a focus on significant risk areas.</p> <p>Evaluated significant transactions that are outside the normal course of business through testing of income, expenditure, accruals and cut off transactions.</p> <p>Reviewed accounting estimates for evidence of management biases, including assessing any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year.</p>	<p>business and accounting estimates did not highlight any instance of fraud nor management override of controls.</p> <p><b>Conclusion:</b> No evidence was found of management override of controls.</p>

## Favourable actuarial forecasts have resulted in the pension liability becoming an asset on the balance sheet

**25.** We identified in our 2021/22 Annual Audit Plan areas where we considered there to be other risks of material misstatement to the financial statements. The pension liability identified as an area of audit focus due to the material value and significant assumptions used to calculate the liability.

**26.** Volatility in the market has caused a significant favourable movement in the pension balance. The net pension asset, as disclosed on the balance sheet, is £0.507 million. As at 31 March 2021, this figure was a liability of £2.426 million. This figure represents the difference between the expected future payments to pensioners, and the underlying value of pension fund assets available to meet this liability.

**27.** Historically there has been considerable volatility year-on-year in the valuation of pension fund assets and liabilities across the public sector. Modest changes in actuarial assumptions can have a significant impact on the calculation of the closing position.

**28.** The Joint Board is an admitted member of Strathclyde Pension Fund. Valuation of pension fund assets and liabilities is assessed by an independent firm of actuaries (Hymans Robertson LLP). Pension assets and liabilities are calculated annually for each individual member body, by the actuary, for inclusion in the annual accounts. Annual valuations are dependent on a number of external variables, including projected rates of return on assets, projected rates of price and pay inflation, interest rates and mortality estimates. We have reviewed the actuarial assumptions used for the valuation and are satisfied that they appear reasonable and in line with assumptions used by other public sector actuaries over the same period.

## **There were no identified misstatements**

**29.** There were no misstatements identified that exceeded our reporting threshold. As there were no identified misstatements, there was no need to review our audit approach.

**30.** It is our responsibility to request that all misstatements, other than those below the reporting threshold, are corrected, although the final decision on making the correction lies with those charged with governance considering advice from senior officers and materiality. The gross sum of the unadjusted errors is below our materiality and has not affected our opinion.

## **The management commentary provides a good summary of key successes over the past year, and recognises challenges ahead**

**31.** The management commentary is required to be a fair, balanced and understandable opinion of the successes and challenges faced by Dunbartonshire and Argyll & Bute Valuation Joint Board. It should avoid jargon and be written in plain language.

**32.** The management commentary in the annual accounts meets this requirement well. It addresses the positive and negative aspects of the joint board's performance, position and future prospects over the past year. It includes further explanation where appropriate, and provides an open assessment of the main challenges it faces in the near future.

## **Follow up of prior year recommendations**

**33.** There were no actions raised in our 2020/21 annual audit report.

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## Part 2. Financial sustainability

Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services

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### Main judgements

An operating surplus of £0.208 million was reported for the year ended 31 March 2022.

The long-term financial plan shows an increasing gap between income and expenditure in future years, with contributions expected to come from reserves.

The joint board continues to have challenges in recruitment, experiencing a high turnover of staff in 2021/22.

---

### The joint board reported an operating surplus of £0.208 million for 2021/22, mostly due to an underspend on employee costs

**34.** The Joint Board is mainly funded by requisitions from its constituent members, Argyll & Bute Council, East Dunbartonshire Council and West Dunbartonshire Council.

**35.** The joint board approved its initial 2021/22 budget in March 2021. This was set on the basis of £2.974m gross expenditure, £2.845m gross income and a planned contribution of £0.129 million from the board's reserves. During the year the budget estimates were revised to include £0.083 million grant funding income which was carried forward from 2020/21 in relation to the Scottish Parliamentary elections.

**36.** An operating surplus of £0.208 million was reported for the year ended 31 March 2022. The majority of this relates to an underspend in employee costs as a result of an increased rate of resignations and retirements. The joint board continues to have challenges in recruitment, and vacancies arising from an inability to attract appropriate candidates. This is an issue which affects valuation boards across Scotland.

**37.** As a result of the operating surplus reported, no transfer from reserves was required. The joint board has agreed that reserves would continue to be held to help manage future budgets and the level of constituent authority contributions.

**38.** The surplus figure of £0.208 million differs from the deficit of £0.244 million reported in the comprehensive income and expenditure statement (CIES). This is due to the statutory accounting adjustments required for items such as pension benefits and depreciation. A reconciliation has been included in the 'Financial

Performance' section of the management commentary in the annual accounts showing the impact of these adjustments.

### The 2022/23 budget is balanced, with a planned £0.239 million to be used from the joint board's reserves

**39.** The joint board agreed its 2022/23 revenue budget in March 2022. This was based on gross planned expenditure of £3.10 million, with £2.61 million of income from the constituent councils. A further £0.24 million of 'Barclay' funding will be utilised to assist with non-domestic rates reform.

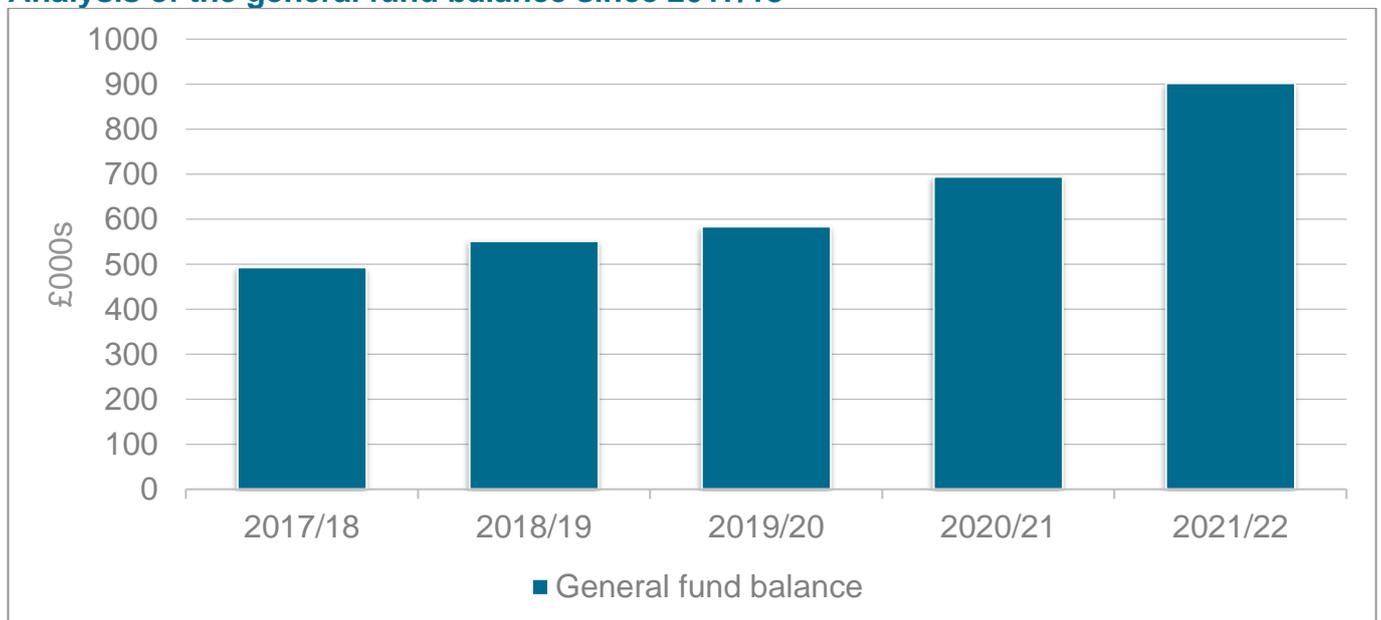
**40.** At the same time, it was agreed that free reserves can continue to be held to help manage future budgets and the level of constituent authority contributions. The 2022/23 budget is based on a proposed standstill level of contribution from constituent authorities and the use of £0.239m of reserves.

**41.** The joint board's general fund balance, which represents a 'usable' reserve of funds, is disclosed as £0.957 million, as at 31 March 2022. The prudential reserves policy, which was set in 2012, is to retain a level of 2% of net expenditure or £0.100m, whichever is higher.

**42.** The balance of the general fund has steadily increased over the past five years, in part due to underspends in employee costs, as shown in [Exhibit 3](#).

#### Exhibit 3

##### Analysis of the general fund balance since 2017/18



### The long-term financial plan shows an increasing budget gap even with planned use of reserves

**43.** We reviewed the joint board's financial planning systems and assessed how effective they are in identifying and addressing risks to financial sustainability across the medium and long term.

**44.** The long-term financial strategy was most recently updated and approved in March 2022. The strategy sets out anticipated income and expenditure for each of the next three years based on assumptions on matters such as pay awards and inflationary pressures. The long-term financial strategy also identifies future challenges and demands which will likely present future cost pressures. These include the impact of Scottish Government funding levels, changes to electoral processes and the Non-Domestic Rates revaluation cycle changing from five-yearly to three-yearly.

**45.** The long-term financial strategy provides a good basis for understanding future financial pressures. Indicative estimates for 2023/24 and 2024/25 identify 'likely' cumulative budget gaps of £0.241 million and £0.303 million.

**46.** The plan forecasts that even after application of reserves, there is a projected funding gap in 2024/25. Pressures on local government funding have affected constituent council contributions to the joint board, and the joint board intends to engage with each of the constituent authorities during 2022/23 with the view to increasing their contributions beyond 2022/23 to help close the funding gap.

**47.** The projected budget gaps, analysed by likely projection, best case and worst case scenarios have been included in [exhibit 3](#) below. These projections were reported to the joint board in March 2022, prior to significant inflationary increases.

### Exhibit 3

#### Projected budget gaps from 2022/23 onwards

Indicative budget gap for DABVJB	2022/23 £m	2023/24 £m	2024/25 £m	Cumulative £m
Likely projection	0.239	0.241	0.303	0.783
Best case	0.239	0.176	0.236	0.651
Worst case	0.249	0.353	0.443	1.045

Source: Dunbartonshire and Argyll & Bute Valuation Joint Board Long Term Financial Strategy, March 2022

### Budgetary monitoring and reporting arrangements are in place and provide a good standard of financial information

**48.** Budgets are approved by the joint board annually, and budget monitoring updates are considered on a regular basis at joint board meetings. The budget monitoring updates provide a good standard of financial information, providing sufficient detail on variances against budget and forecasts for year-end positions. Good narrative is provided throughout to set the context. This allows members and officers to scrutinise the financial performance of the joint board and to consider appropriate action to mitigate projected overspends or underspends.

## Recruitment and staffing issues continue to present difficulties, with significant levels of turnover during 2021/22

**49.** The Dunbartonshire and Argyll & Bute Valuation Joint Board has experienced a turnover of 25% of its total staff in 2021/22. The joint board, in common with other valuation boards across Scotland, has struggled to attract suitable candidates for vacancies. The joint board has recognised the need for a longer-term approach and established its first workforce plan in 2020. Despite these challenges, recruitment to fill vacancies from in-year retirements was completed throughout 2021/22.

**50.** In addition, the joint board faces further workforce pressures as a result of government reforms. These include the move to three-yearly NDR revaluations, the commitment to implement a two-stage proposal and appeals system for NDR and voter ID cards.

**51.** The workforce plan and associated action plan was refreshed in March 2022. This analyses key drivers for staffing pressures, along with agreed actions, identified owners and progress updates. The plan is adjusted if actions are not having the desired impact or if circumstances change.

## The Non-Domestic Rates (Scotland) Act 2020 and Barclay review will increase the joint board's statutory workload

**52.** As reported in both 2019/20 and 2020/21, the Non-Domestic Rates (Scotland) Act 2020, resulting from the Barclay review, will have significant implications for the DABVJB and will increase its statutory workload. It will also create pinch-points during the transition process. Implementation of parts of the act have now been delayed until January 2023. The joint board's workforce plan recognises these risks and has a series of ongoing actions to mitigate this.

## National performance audit reports

**53.** Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. [Appendix 2](#) highlights a number of the reports published in 2021/22.

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# Part 3. Governance and transparency

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

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## Main judgements

Disclosures in the Annual Governance Statement are consistent with the financial statements and the statement has been prepared in accordance with the relevant statutory guidance.

The joint board's governance arrangements are appropriate.

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### **Disclosures in the Annual Governance Statement are consistent with the financial statements and the statement has been prepared in accordance with the relevant statutory guidance**

**54.** The work completed on the annual governance statement found it was consistent with our knowledge of the Dunbartonshire and Argyll & Bute Valuation Joint Board during 2021/22. It was also consistent with the financial statements. The annual governance statement has been prepared in accordance with relevant regulations and guidance.

### **The joint board's governance arrangements are appropriate**

**55.** Public bodies have had to quickly change how they deliver services in response to the ongoing Covid-19 outbreak and the related restrictions introduced. The widespread use of virtual meetings and the rapid introduction of new working practices continues to create a range of potential financial risks and challenges to internal controls. In its annual governance statement, the joint board has made appropriate disclosure of the impact that Covid-19 has had on its governance arrangements in 2021/22 and the steps it has taken in response to this.

**56.** A local Code of Good Governance was approved by the Board in March 2018. A self-assessment against the framework is completed annually and an action plan agreed, which is published online. The most recent review, carried out in autumn 2021, identified areas of improvement which are either planned, ongoing or completed.

**57.** During 2021/22 joint board meetings were held remotely online, and more recently there has been a move to a hybrid form of working with members attending meetings in person. From our attendance at meetings,

we observed and concluded that members are engaged during meetings and provide effective scrutiny and challenge. Additionally, the assessor provides a verbal update on key issues discussed at each meeting of the joint board.

### **Internal audit has provided assurance over the joint board's system of internal controls**

**58.** West Dunbartonshire Council provides support in key areas of the joint board's business particularly in finance, legal, internal audit and information technology. As part of our audit we reviewed the high-level controls for a number of the systems used by West Dunbartonshire Council for the processing and recording of transactions. These systems are also used for the preparation of the annual accounts of the joint board.

**59.** The joint board's internal audit function provides the joint board with independent assurance on risk management, internal controls and corporate governance processes. The annual assurance statement from the Shared Service Manager – Audit & Fraud in June 2022 concluded that 'reasonable assurance' can be placed upon the adequacy and effectiveness of the joint board's internal control system during 2021/22. This assurance has been disclosed in the annual governance statement.

# Appendix 1. Summary of 2021/22 national performance reports and briefing papers

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## May

[Local government in Scotland Overview 2021](#)

## June

[Covid 19: Personal protective equipment](#)

## July

[Community justice: Sustainable alternatives to custody](#)

## September

[Covid 19: Vaccination programme](#)

## January

[Planning for skills](#)

[Social care briefing](#)

## February

[NHS in Scotland 2021](#)

## March

[Local government in Scotland: Financial Overview 20/21](#)

[Drug and alcohol: An update](#)

[Scotland's economy: Supporting businesses through the Covid 19 pandemic](#)

# Dunbartonshire and Argyll & Bute Valuation Joint Board

## Proposed Proposed 2021/22 Annual Audit Report

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

[www.audit-scotland.gov.uk/accessibility](http://www.audit-scotland.gov.uk/accessibility)



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**DUNBARTONSHIRE and ARGYLL & BUTE VALUATION JOINT BOARD**

**Report by Treasurer**

**Valuation Joint Board – 30 September 2022**

**Subject: Annual Accounts for Year Ending 31 March 2022**

**1. Purpose**

**1.1** The purpose of this report is to present to the Board the Annual Accounts for the year ending 31 March 2022.

**2. Background**

**2.1** The Local Authority Accounts (Scotland) Regulations 2014 (the accounts regulations) came into force on 10 October 2014 and introduced best practice expectations on:

- (a) the Draft Annual Accounts being reported to the Board for formal consideration prior to submission to External Auditors for audit by 30 June each year; and
- (b) the notice of public right to inspect and object to the Financial Statements to commence no later than 17 June with the accounts available for inspection by 1 July each year.

**3. Main Issues**

**3.1** The audited Final Accounts for the year ended 31 March 2022 are appended to this report.

**3.2** The accounts have been revised to reflect the updated property valuations as part of the asset revaluation rolling programme which were not available for inclusion within the draft accounts. This revision has the following effect on the final accounts:

<b>Revision</b>	<b>Effect</b>
Change to the Total Comprehensive (Income) & Expenditure Statement	An overall net increase of £0.038m made up an increase in the cost of depreciation of £0.001m, offset by an increase of £0.039m arising from the revaluation of property.
Change to the Balance Sheet	Increase in the value of property, plant & equipment (£0.039m) and an increase in the revaluation reserve (£0.039m).
Changes to Movement in Reserves Statement	The effect of the above was incorporated into the revised in-year movements.
Changes to Notes	The effect of the above was also incorporated into changes to note 2 – Expenditure & Funding

	Analysis, note 6 – Property, Plant and Equipment and note 11- Unusable Reserves.
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**3.3** Audit Scotland have finalised their audit of the Joint Board's 2021/22 Annual Accounts, concluding that the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.

**3.4** Audit Scotland's Annual Report to Members and the Controller of Audit is submitted as a separate agenda item to this meeting and provides further information on matters which were reviewed during the audit and which the Auditor feels worthy of Members' attention.

#### **4. Conclusions and Recommendations**

**4.1** The finances of the Board have been closely managed during 2021/22 allowing a better financial position to be achieved than had been planned. This will assist with financial planning in the future.

**4.2** Members are asked to approve the post-audit Annual Accounts for the year ended 31 March 2022.

**Laurence Slavin**

**Treasurer**

**Date: 13 September 2022**

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**Person(s) to Contact:** Janine Corr, Accountant  
West Dunbartonshire Council

Email: [janine.corr@west-dunbarton.gov.uk](mailto:janine.corr@west-dunbarton.gov.uk)

**Appendix:** Audited Annual Accounts for year ended 31 March 2022



*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

**ANNUAL ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

## CONTENTS

	<u>Page Nos.</u>
1. Members of the Board	1
2. Management Commentary	2 - 18
3. Remuneration Report	19 - 22
4. Statement of Responsibilities	23 - 24
5. Annual Governance Statement	25 - 28
6. Independent Auditor's Report	29 - 32
7. Introduction to Annual Accounts	33
8. Comprehensive Income and Expenditure Statement for the year ended 31 March 2022	34
9. Movement in Reserves Statement	35 - 36
10. Balance Sheet as at 31 March 2022	37
11. Cashflow Statement for the year ended 31 March 2022	38
12. Notes to the Annual Accounts	39 - 54

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**JOINT BOARD MEMBERS AND OFFICIALS AS AT 31 MARCH 2022**

**ARGYLL & BUTE COUNCIL**

Councillor Richard Trail (Convenor)  
Councillor Graham Archibald Hardie  
Councillor Alastair Redman  
Councillor Iain Paterson  
Councillor Donald MacMillan, BEM

**EAST DUNBARTONSHIRE COUNCIL**

Councillor Vaughan Moody (Vice Convenor)  
Councillor John Jamieson  
Councillor Jim Gibbons  
Councillor Sandra Thornton  
Councillor Stewart MacDonald  
Councillor Denis Johnston

**WEST DUNBARTONSHIRE COUNCIL**

Councillor John Millar  
Councillor Jonathan McColl  
Councillor Jim Brown  
Councillor Karen Conaghan  
Vacancy

**OFFICIALS**

David Thomson (Assessor & Electoral Registration Officer)  
Russell Hewton (Depute Assessor & Electoral Registration Officer)  
Peter Hessett (Clerk)  
Laurence Slavin (Treasurer)

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**MANAGEMENT COMMENTARY**

**GENERAL SERVICE AIMS AND OBJECTIVES**

**WHO WE ARE AND WHAT WE DO**

Dunbartonshire and Argyll & Bute Valuation Joint Board (the Board) is an independent local government body which was established by The Valuation Joint Boards (Scotland) Order 1995. We professionally compile and maintain the Valuation Rolls, Council Tax Valuation Lists and Registers of Electors for the Argyll & Bute, East Dunbartonshire and West Dunbartonshire Council areas.

**OUR AIMS**

Building on our established professionalism, we aim to provide high quality, transparent, effective and responsive services to all of our stakeholders.

**COMMITMENTS**

Within the constraints of the continuing tight public finance regime, we are committed to:

- Consulting our stakeholders, and listening and responding to their views;
- Valuing staff and providing them with opportunities to develop and contribute;
- Reacting innovatively to change;
- Encouraging innovation and recognising achievement within the organisation;
- Treating all stakeholders, including staff, in a fair, consistent manner and in accordance with our Equalities requirements;
- Striving for continuous improvement in all aspects of service delivery;
- Ensuring that we are accessible and accountable to stakeholders;
- Pro-actively planning workloads and deploying resources efficiently;
- Using language which is easy to understand; and
- Working with our partners in the Scottish Assessors' Association (SAA) to ensure transparency and Scotland-wide consistency of approach to service delivery.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**1.0 INTRODUCTION**

This report comprises the Board's Management Commentary to the Annual Accounts in relation to the 2021/22 financial year.

The main purpose of this Management Commentary is to inform all users of the accounts and to help them assess how the Board perform their duty to promote the success of the Board. This Management Commentary also summarises the functions and activities of the office of the Assessor and Electoral Registration Officer (ERO) over the past year and provides information on the performance levels achieved in carrying out the statutory duties of the organisation.

The requirements governing the format and content of local authorities' annual accounts (under s106 of the Local Government (Scotland) Act 1973 joint boards and committees are to be treated as local authorities) are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the "Code").

Throughout the year the operation, management and services of the Board were affected, to varying extents by the ongoing COVID pandemic and the Government restrictions introduced to control the outbreak. Notwithstanding, the main statutory duties of the Assessor and ERO were complied with. This was only possible through a managed mix of home and workplace working for staff. Employee attendance in the workplace was varied throughout the year in response to operational need, government restrictions, infection levels and public health advice.

The pandemic also resulted in government passing various items of legislation that altered the timetables for delivery of, and compliance with, the Assessor & ERO's statutory duties.

One area of function which was affected was the disposal of Non-Domestic Rating appeals. At the start of the year some 4,580 appeals submitted in the context of the pandemic had been received and these have been subject to legislative change, some of which is ongoing, relating to their validity and disposal dates. A cautious approach to travel and internal property inspections was maintained and this resulted in challenges relating to the maintenance of the Valuation Roll and the Council Tax Valuation List.

The Non-Domestic Rates (Scotland) Act (2020), provided for substantial change in the Non-Domestic Rating (NDR) system, but the secondary legislation required to implement it remains largely in draft and subject to Parliamentary amendment.

During the year, The Council Tax (Dwellings and Part Residential Subjects) (Scotland) Amendment Regulations 2021 implemented a requirement that, from April 2022, to be classed as self-catering holiday accommodation, premises must actually be let for at least 70 days in the financial year as well as the existing requirement of an intention to let for 140 days or more.

Maintenance activity in relation to the Council Tax List was higher than in most years arising from an increase in new housing availability, but as with non-domestic rating, disposal of proposals and appeals was hindered significantly during the year.

The annual Electoral Register was published on 1 November 2021 following the annual canvass, the date having been brought forward to assist with the preparations for a local government by-election in Argyll & Bute. A major feature of the early part of the electoral year was the implementation of contingency and resilience actions for the Scottish Parliament Election in May 2021 and towards the end of the year preparations for the May 2022 Local Government Elections were ongoing.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

The Management Team continues to be the main forum for decision making within the organisation. It met regularly throughout 2021/22 to manage statutory functions and operations, and develop, implement and monitor policies and strategies. Personnel changes within the Senior Management Team were reflective of a year in which recruitment was a virtual constant.

**2.0 GENERAL PROGRESS IN RELATION TO STATUTORY FUNCTIONS**

**2.1 NON-DOMESTIC RATING**

**Aims**

- To carry out a general revaluation, currently every 5 years (3 years from 2023);
- To timeously compile and maintain the Valuation Roll in accordance with the relevant legislation, to take account of new properties, properties which should no longer be entered in the roll, properties which have been altered, changes to the parties shown in the Roll and other changes arising from statute or other decisions of the Courts;
- To consolidate or improve upon the time taken between the date on which amendments to the Valuation Roll are effective and the date on which the Valuation Notice is issued;
- To publish the annual Valuation Roll and make it available to interested parties; and
- To deal with appeals by discussion with ratepayers or their agents, or by hearing of appeals before the appropriate valuation appeal bodies.

**2017 Revaluation**

Subsequent to the 2017 revaluation, 3,569 appeals were submitted against the values of 3,460 subjects, reflecting an appealed Rateable Value (RV) of £252,557,705. The statutory date for disposal of these appeals by Valuation Appeal Committees was, after amendment, 31 December 2021.

By the statutory disposal date of 31 December 2021, 3,458 Revaluation appeals, representing 97% of those submitted, had been disposed of. Of the appeals disposed of, 67.7% were withdrawn and 32.3% were adjusted. The remaining 111 Revaluation appeals have been referred to the Lands Tribunal and therefore fall out of the general disposal schedule.

**Maintenance of the Valuation Roll**

The Valuation Roll was updated to take account of additions, alterations and deletions. 949 amendments were made during the year. The reduction in RV during the year arises primarily from appeal adjustments, the change year-on-year is summarised as follows:

Total No of entries @ 1st April 2021	15,359
Total Rateable Value @ 1st April 2021	£365.6 million
Total Number of entries @ 31st March 2022	15,403
Total Rateable Value @ 31st March 2022	£365.5 million

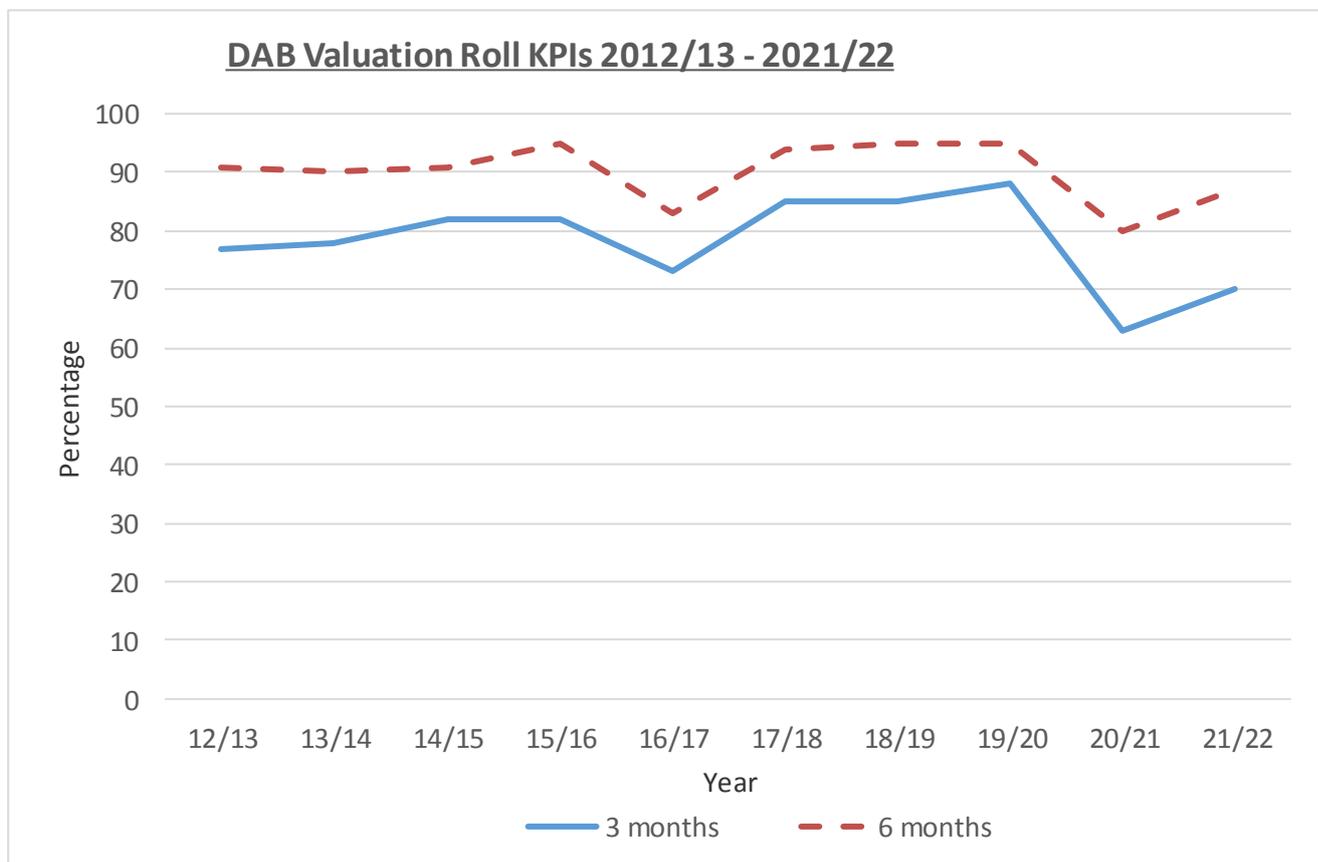
The national Key Performance Indicator in relation to non-domestic valuation is the time taken from the effective date of amendments to the date a Valuation Notice in respect of each change is issued. The following table sets out the targets and actual performance information for 2021/22:

Period	Actual 2020/21	Target 2021/22	Actual 2021/22				
			Argyll & Bute	West D'shire	East D'shire	VJB Area	All Scotland
0-3 months	63%	75%	74.5%	53.7%	36.4%	69.6%	59%
3-6 months	17%	15%	12.0%	39.7%	34.1%	17.1%	17%
>6 months	20%	10%	13.5%	6.6%	29.5%	13.3%	24%

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

Whilst performance was up on last year it remained badly affected by ongoing restrictions on survey, home working and, most significantly, loss of staff and recruitment issues. Thus, our targets were not achieved.

The pattern of performance over a longer period is shown below and illustrates that, despite the recovery, 2021/22 did not see levels return to those seen over a longer period of time.



**Lands Tribunal – 2005 and 2010 Appeals**

Appeals which have been referred to the Lands Tribunal are of a complex nature or are likely to have national implications. 2021/22 saw disposal of 10 appeals, some of which were significant appeals with large values. At 31 March 2022, 5 appeals remain outstanding from the 2005 cycle and 18 appeals from the 2010 cycle.

**2017 Running Roll Appeals**

During the year, 123 new running roll appeals were received and 138 were disposed of, leaving 4,826 outstanding, many of which relate to the COVID outbreak.

In September 2021, the Scottish Government laid The Valuation and Rating (Coronavirus) (Scotland) Order 2021 which requires that, in calculating the rateable value of any lands and heritages, no account is to be taken of any matter arising directly or indirectly attributable to COVID. This Order took effect from 1 April 2021, effectively nullifying COVID related appeals made since that date.

In December 2021, the Scottish Government laid the Non-Domestic Rates (Coronavirus) (Scotland) Bill. This seeks to have similar effect to the 2021 Order but with effect from 2 April 2020. The Bill is currently at the Committee stages of its passage through Parliament.

## **DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

In March 2022, the Minister for Public Finance, Planning and Community Wealth announced that, to allow Parliament to consider the Non-Domestic Rates (Coronavirus) (Scotland) Bill and for those who lodged an appeal following the COVID pandemic to make an informed decision subsequent to this on whether they wish to pursue or withdraw their appeals, legislation would shortly be laid to ensure that no NDR appeal lodged after 1 January 2020 will have a disposal deadline date earlier than 31 December 2023.

### **Revaluation**

The next Revaluation will take effect on 1 April 2023 with a valuation date of 1 April 2022.

Preparations for the Revaluation are well under way. The ingathering of rental information is ongoing and rents received through this process are being analysed. This has allowed provisional valuation rates to be adopted in a number of areas and, as at 31 March, staff have prepared the draft valuations of 1,292 properties.

Other pertinent information for a wide range of property types is also being gathered and will be shared with other Assessors offices to allow the production of SAA Practice Notes, which provide for consistent approaches to the valuation of over 100 categories of property.

It is expected that draft Valuation Notices will be issued and draft values published on the Assessors' portal in late autumn 2022, with final values being formally advised to interested parties in March 2023.

### **Non-Domestic Rating Reform**

In accordance with The Non-Domestic Rates (Scotland) Act 2020 (Commencement No.2 and Transitional Provisions) Regulations 2020, systems were amended to effect the inclusion of Business Growth Accelerator (BGA) marks for 'new' and 'improved' properties in Valuation Rolls on 1 April 2022.

The introduction of a new 2-stage 'proposals' and 'appeals' process, which was scheduled to come into force on 1 April 2022 was delayed until 1 January 2023, to coincide with the transfer of the functions of the local Valuation Appeal Panels to the Scottish Courts and Tribunals Service that day.

Planning is ongoing for the entry of certain public parks, parts of parks and buildings within parks into the Valuation Roll with effect from the 2023 Revaluation.

Significant progress has been made towards making valuation details available at the Scottish Assessors web portal for a wider range of subjects than was previously the case. Currently around 10,384 subjects have their valuations available to view and it is the intention a further tranche of property types will be made available for public display at the Revaluation.

The facility to enable the provision of rented property lists at the portal at the next Revaluation has been developed and tested internally and Valuers are now populating the relevant fields as progress is made with the Revaluation.

The Scottish Government grant funding made available for NDR Reform during the 2021/22 year was not exhausted and the underspend that was previously projected will be offset against the grant made available for 2022/23.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**2.2 COUNCIL TAX**

**Aims**

- To maintain the Valuation List in accordance with the relevant legislation, to take account of new properties, properties which should no longer be entered in the List, properties which have been altered and sold, and other changes arising from statute or other decisions of the Courts;
- To maintain or improve upon the time taken between the date that amendments to the Valuation List are effective and the date the Banding Notices are issued;
- To publish the Valuation List, make it available to interested parties;
- To deal with proposals/appeals by discussion with ratepayers or their agents, or by hearing of appeals before the appropriate valuation appeal courts; and
- To keep property records up to date to take account of alterations.

**Maintenance of Valuation List**

The year to 31 March 2022 saw 1,395 additions to the Council Tax List and a net increase in the number of dwellings shown in the Council Tax List as follows:

Total Number of entries @ 1st April 2021	146,143
Total Number of entries @ 31st March 2022	147,035

The number of additions in the year is significantly up on previous years.

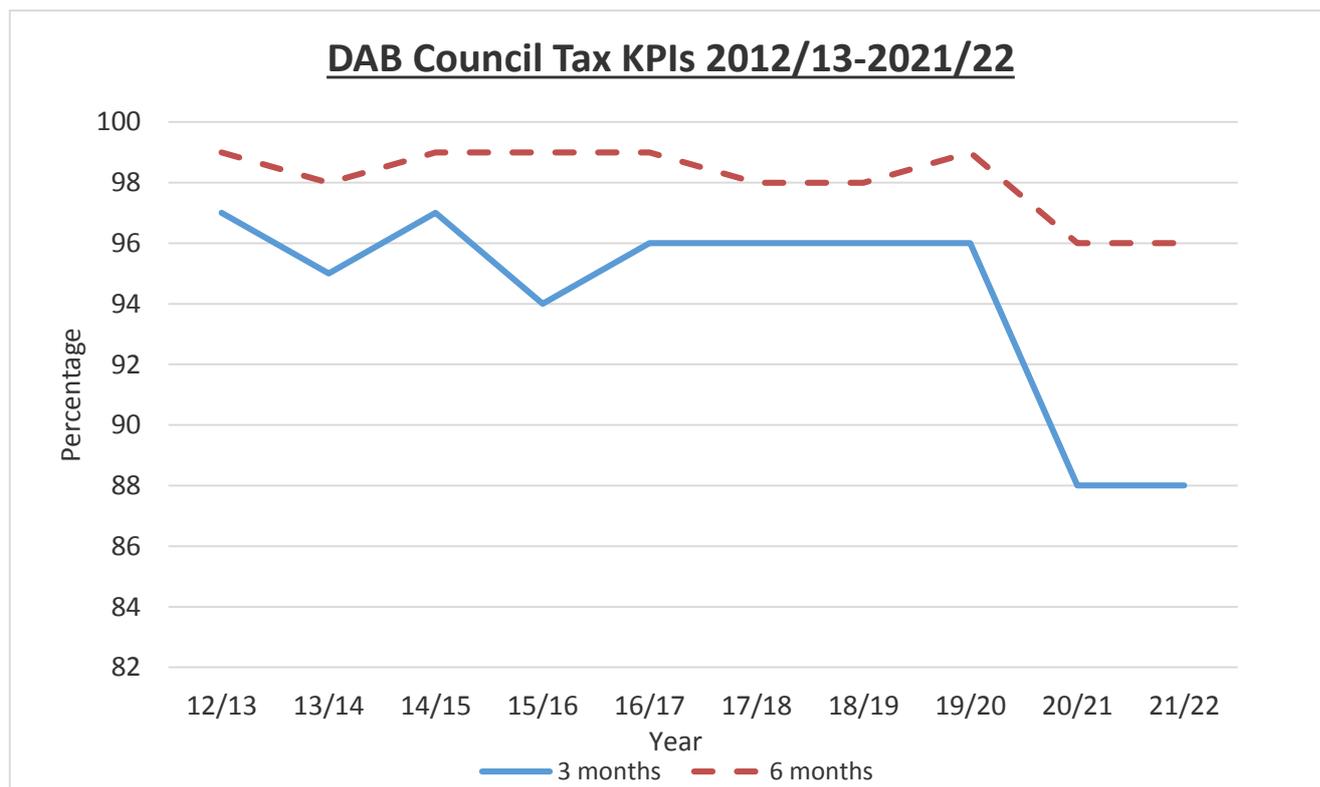
Year	Additions to Council Tax List
<b>2021/22</b>	<b>1,395</b>
2020/21	917
2019/20	1,061
2018/19	992
2017/18	832

The national Key Performance Indicator in relation to Council Tax valuation is the time taken from the effective date of additions to the Valuation List to the date a Banding Notice in respect of each new entry is issued. The table (over) sets out the target and actual performance information for 2021/22 compared with the actual figures for 2020/21. The table shows that performance was very much in line with 2020/21 but that we missed our ambitious targets for the year.

Period	Actual 2020/21	Target 2020/21	Actual 2021/22				All Scotland
			Argyll & Bute	West D'shire	East D'shire	VJB Area	
0-3 months	88%	<b>96%</b>	83.4%	96.9%	86.2%	<b>88.2%</b>	88%
3-6 months	8%	<b>2%</b>	9.7%	1.3%	11.2%	<b>7.6%</b>	8%
>6 months	4%	<b>2%</b>	6.9%	1.8%	2.6%	<b>4.2%</b>	4%

The pattern of performance over a longer period is shown below. As with maintenance of the Valuation Roll, performance in this area of operation continued to be affected by the COVID restrictions and retrospective notifications of changes of use, as illustrated in the following chart:

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**



**Proposals and Appeals**

During the year, 186 (206 in 2020/21) new proposals to change property Bands were received and 154 (143 in 2020/21) proposals and appeals were disposed of, leaving 330 outstanding at the end of the year.

**2.3 ELECTORAL REGISTRATION**

**Aims**

- To timeously compile and maintain the Electoral Register in accordance with the relevant legislation;
- To deal promptly with all new applications to register;
- To deal with applications for absent votes, collect and securely store Personal Identifiers and maintain relevant Absent Voters lists;
- To produce, distribute and make available for sale, copies of the Electoral Register in accordance with statutory arrangements and Electoral Commission performance standards;
- To encourage Electoral Registration in the three constituent Council areas; and
- To support the efficient running of electoral events within the Board area.

**Electoral Registration and Publication of the Register**

The Representation of the People (Annual Canvass) (Amendment) Regulations 2019 and The Representation of the People (Annual Canvass) (Miscellaneous Amendments) (Scotland) Regulations 2020 made provision for reform of the annual electoral canvass process to be amended in 2020. Since then, households where the electors have been data matched to either national or local data sources, received ‘route 1’ correspondence which do not require a response unless the elector details needed to be updated or changed. Households where the register did not match to other data sources, received ‘route 2’ correspondence which do require a response. A further, ‘route 3’ option to contact ‘responsible persons’ in establishments such as care homes was also effected.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

EROs remain duty bound to make a 'personal contact' to households that do not make a response to a 'route 2' or 'route 3' form. As a result, a full door knock, amounting to visits to 15,144 households (14,140 in 2020), was carried out adopting procedures that were implemented to minimise the COVID risk during the canvass in 2020. No COVID-related issues arose from the door-to-door canvass and no canvassers reported any negative feedback from the public during the process.

The return rates for Route 2 and Route 3 properties are shown below compared to the figures for 2020:

Local Authority	2020 canvass		2021 canvass	
	'Route 2/3' Forms issued	Return Rate	'Route 2/3' Forms issued	Return Rate
Argyll and Bute Council	8,940	55.85%	8,300	50.83%
East Dunbartonshire Council	7,616	60.32%	7,079	55.22%
West Dunbartonshire Council	9,687	39.28%	9,706	30.54%
<b>Total</b>	<b>26,243</b>	<b>51.03%</b>	<b>25,085</b>	<b>44.22%</b>

Several methods of making returns were offered to electors and a summary of the returns is shown below:

Method of Response	2020 Canvass		2021 Canvass	
	No of Returns	% age return	No of Returns	% age return
Post	4,170	15.9%	3,684	14.7%
Electronic (web/phone/SMS)	6,446	24.6%	5,656	22.5%
Phone/Email contact	1,128	4.3%	366	1.5%
Door-to-door canvass	587	2.2%	684	2.7%
Verified as second home/long term empty	1,052	4.0%	697	2.8%
Returned/Empty/ Other	9	0.03%	5	0.02%
<b>Total</b>	<b>13,392</b>	<b>51.03%</b>	<b>11,092</b>	<b>44.22%</b>

At publication on 1 November 2021, the electorate was 229,336 broken down as follows:-

Local Authority	Electorate
Argyll & Bute	70,247
East Dunbartonshire	88,870
West Dunbartonshire	70,219

The total electorate figure is up on the total at publication in December 2020, and is at its highest level for some years – see below.

Year	No of Electors
<b>2021</b>	<b>229,336</b>
2020	224,800
2019	219,861
2018	219,637
2017	222,507
2016	221,078
2015	218,668

## **DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

### **Absent Voters**

The general downward trend in Absent Voter numbers since Individual Electoral Registration (IER) was introduced was reversed significantly in the run up to the Scottish Parliament Election (SPE) in May 2021, when a surge in applications related to the COVID outbreak increased the number of Absent Voters on the register. With significant numbers of these Absent Voters having opted to vote that way in that single event, Absent Voter numbers fell back again at publication.

<b>Year</b>	<b>No of Absent Voters</b>
<b>2021</b>	<b>47,313</b>
April 2021	49,846
2020	33,595
2019	33,916
2018	34,110
2017	35,918
2016	37,764
2015	38,376

As was the case before the 2021 election, Household Notification Letters (HNLs), encouraging the take-up of Absent Votes in the run up to the Local Government Elections, were issued to all households in late January 2022. The public reaction, however, was much reduced in 2022, perhaps reflecting the changing public attitude to the pandemic.

### **Rolling Registration**

Rolling Registration is the process of making changes to the register by way of monthly update. Previously, these updates were effected out with the canvass period but, since 2020, rolling registration procedures have run right through the canvass period. It is therefore no longer possible to split the annual changes arising from canvass and those arising specifically from rolling registration activities. During the financial year to March 2022, there were 19,967 additions, 20,854 deletions and 592 other amendments made to the registers for the Board area.

### **Electoral Performance**

The Electoral Commission has now launched its revised Performance Standards regime and the SAA has agreed a set of KPIs to help benchmark services with a view to improving performance. We will collate the first set of outcomes against these indicators as we progress through the canvass in 2022.

### **Elections Act**

The Act received Royal Assent in May 2022. Secondary legislation, which will provide many of the details of the administrative processes, will follow.

This is a very significant piece of legislation that includes:-

- The requirement to provide Voter Identification (ID) to vote at reserved elections. This will require the production and distribution of Voter ID cards by the ERO where electors do not hold relevant approved documents, with effect from December 2022.
- Absent Voters on the UK Parliamentary Register will be required to reapply for their absent votes every three years.
- The extension of the overseas voting franchise by removal of the existing 15 year limit on overseas electors' right to vote in UK Parliamentary elections.

The Government has recognised the additional administrative burdens that these changes will bring and has committed to adequately funding new requirements arising from the programme.

## **DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

### **Elections**

Providing appropriate contingency and resilience for the Scottish Parliament Election in May 2021 required continued attention and allocation of resource up to and after the event.

All deadlines for supply of data for issue of poll cards and postal ballot packs to Returning Officers were achieved. On polling day, our staff covered the registration office throughout polling hours in what turned out to be a day of significant activity and enquiry. There was an increase in emergency proxy applications over other similar events but these were manageable.

The Scottish Government provided funding of £158,274 to meet the additional costs of effecting suitable resilience and contingency measures, though this was not exhausted in supporting the election.

The Electoral Commission formal report on the election concluded that “The poll was well-run, and voters were confident in participating, despite the significant challenges presented by the pandemic. Voters did not appear to be deterred from participating, with the poll seeing the highest turnout ever for a Scottish Parliament Election at 63.5%.”

Similar arrangements were implemented in preparations for the Local Government elections in May 2022.

### **3.0 GENERAL PROGRESS IN RELATION TO OTHER MATTERS**

#### **3.1 INFORMATION AND COMMUNICATIONS TECHNOLOGY**

##### **IT and Computer Provision**

Computers and IT systems continue to be maintained and upgraded in accordance with the Board's IT Strategy and the recommendations from West Dunbartonshire Council's ICT Service.

To facilitate the forthcoming Revaluation, new systems for the analysis of rentals across the retail, office and industrial sectors were developed during the year. Additionally processes allowing the automatic population of the draft Revaluation Roll have been implemented for 'bulk category' subjects.

The redevelopment of NDR systems to accommodate the forthcoming NDR reforms is an ongoing focus for our ICT staff. See above regarding progress in relation to expansion of the valuations available, and the future provision of 'comparable' rental property lists, at the SAA portal.

Our Electoral Management System was upgraded several times throughout the year to provide functionality improvements and ensure continued compliance with requirements.

We have continued to participate in the Scottish Assessors' web portal's Project Management Committee, Project Team and Working Groups to enhance the site ([www.saa.gov.uk](http://www.saa.gov.uk)).

In addition to these planned activities, significant resource was expended in maintaining home/hybrid working and the high rate of staff turnover experience during the year.

#### **3.2 BEST VALUE**

##### **Key Performance Indicators and Public Performance Reporting**

Performance in respect of Valuation Roll and Council Tax Key Performance Indicators is reported above. Our 2020/21 Public Performance Report was published during 2021/22 on our web site ([www.saa.gov.uk/dab-vjb/](http://www.saa.gov.uk/dab-vjb/)).

## **DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

### **Performance Management and Planning**

The Management Team continues to be the main forum for planning and management of performance. In accordance with our Performance and Management Planning process, a number of actions were taken, or were ongoing, during 2021/22 which are detailed in the Annual Governance Statement on pages 25 to 28.

### **Audit**

An internal audit planning meeting in December 2021 identified that it would be appropriate to review the adequacy and effectiveness of the governance, risk management and control procedures surrounding Valuation Joint Board development and implementation of digital processes as a result of the pandemic.

At time of writing the fieldwork for this audit is ongoing. The outcomes and agreed actions will be reported to the Board in due course.

### **Customer Satisfaction**

Users of the Board's services are randomly sampled and issued with questionnaires to seek their perception of the service provided to them. A summary of the results for the year is provided below. Satisfaction levels, having dipped slightly in 2020/21, returned to previously high levels during the year.

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Was the person with whom you communicated professional, courteous and helpful?	99%	94%	98%	92%	97%
Was the matter brought to a satisfactory conclusion immediately?	62%	60%	61%	56%	64%
Was the matter brought to a satisfactory conclusion?	97%	93%	97%	89%	94%
Are you satisfied with the quality of the information or advice given to you?	96%	93%	96%	90%	96%

No Customer Satisfaction forms were requested in alternative languages, Braille or other formats. Sample sizes within the various equalities groups were generally too small to draw firm conclusions though there is an indication of very marginally lower satisfaction levels among disabled service users this year. The results are monitored by management with any apparent variations within any of the groups with protected characteristics being followed up to ensure that we are carrying out our functions in a fair and equitable manner.

### **Complaints Procedure**

The Board has, for some time, operated a Complaints Procedure which is in line with the Public Sector Ombudsman's Model Complaints Handling Procedure (MCHP) and new procedures were introduced on 1 April 2021 in line with the SPSO's Revised Model CHP.

There were 8 complaints received during 2021/22, compared to 4 in 2020/21 and 14 in 2019/20, none of which were upheld. 6 complaints were made in respect of Electoral Registration services, with 3 referring to the wording/content of prescribed forms. The matters raised in these cases have been raised with the Electoral Commission.

Two complaints were raised in the context of individuals being unable to vote or vote by post. In the latter case the elector referred the complaint to the SPSO but, after consideration, it was deemed that an investigation was not appropriate. The remaining electoral complaint related to correspondence being issued to a deceased person. An apology was provided in this case.

Two complaints were made in respect of Council Tax, neither of which were upheld. In one case the Assessor had no power to provide the remedy sought.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

No complaints were made in respect of Non-Domestic Rating.

The content and outcome of complaints are discussed at the regular management team meetings and any opportunities for organisational learning are implemented.

**Communications Strategy**

In line with good practice and the existing Strategy's review cycle a new Communications Strategy was devised and approved by the Board. The Strategy is available to view at: <https://www.saa.gov.uk/dab-vjb/wp-content/uploads/sites/5/2021/09/Communications-Strategy-Board-approved-September-2021.pdf>

**Financial Performance**

**Comprehensive Income and Expenditure Statement**

This account covers the day-to-day operational expenditure of the Board and is shown on page 34 of the Annual Accounts. On an accounting basis the deficit on the provision of service for the financial year reported in the Comprehensive Income and Expenditure Statement is £0.245m. However this takes account of Statutory Adjustments between the accounting and funding basis of (£0.453m) as shown in the Expenditure and Funding Analysis table shown on page 46. Thus, resulting in an in-year surplus of £0.208m as summarised below:

	<b>Comprehensive Income &amp; Expenditure Statement £000</b>	<b>Statutory Adjustments £000</b>	<b>Actual £000</b>	<b>Budget £000</b>	<b>Variance £000</b>
Employee Costs	2,579	(409)	2,170	2,394	(224)
Property Costs	108	0	108	123	(15)
Transport Costs	11	0	11	47	(36)
Supplies & Services	280	0	280	324	(44)
Payments to Other Bodies	35	0	35	50	(15)
Support Services	123	0	123	123	0
Depreciation	14	(14)	0	0	0
Other Costs: (Pensions/Interest)	53	(53)	0	0	0
<b>Total Expenditure</b>	<b>3,203</b>	<b>(476)</b>	<b>2,727</b>	<b>3,061</b>	<b>(334)</b>
Requisition Income	(2,837)	0	(2,837)	(2,837)	0
Capital Income	(23)	23	0	0	0
Grant Income	(87)	0	(87)	(87)	0
Rental Income	(2)	0	(2)	(2)	0
Sales, Fees & Charges	(9)	0	(9)	(6)	(3)
<b>Total Income</b>	<b>(2,958)</b>	<b>23</b>	<b>(2,935)</b>	<b>(2,932)</b>	<b>(3)</b>
<b>(Surplus)/Deficit for the year</b>	<b>245</b>	<b>(453)</b>	<b>(208)</b>	<b>129</b>	<b>(337)</b>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

The main budget variances are shown below:

<b>Spend Area</b>	<b>Variance £000</b>	<b>Comments</b>
Employee	(224)	The favourable variance is mainly due to an increased rate of resignations and retirements along with delays in filling some vacancies, partly due to difficulties in attracting appropriate candidates.
Property	(15)	A favourable variance was the result of minimal spend on repairs and maintenance to the Board's properties. This budget is a reactive budget and fluctuates each year depending on what work is required.
Transport	(36)	Due to COVID, travelling expenses and subsistence were underspent as survey and inspection work were restricted and travel to meetings was minimal.
Supplies & Services	(44)	One of the main reasons is an underspend on the costs associated with the Land Val Appeal Court which are dependent upon the number of VAC cases that proceed to hearing and the number of Lands Tribunal Referrals made. Appeal disposal by negotiation and changes to the statutory timetables for dealing with appeals reduced the need for both. The other main reason is a reduction in demand led running costs ie printing, stationery and postages which fluctuate year on year. The expenditure on these was also affected by the statutory delay to the NDR Revaluation timetable.
Payment to other bodies	(15)	The main reason for this underspend was in relation to the expenditure associated with the Land Valuation Appeals panel.

**Balance Sheet**

The balance sheet shown on page 37 features an assessed pension fund asset of £0.507m based on the valuation of the fund at 31 March 2022. This results in the Board's Balance Sheet showing a net asset position. Further information on the pension fund is provided in note 4 on pages 47 to 51 and the valuation states that assets held at the valuation date were sufficient to cover all of the accrued liabilities. It is considered appropriate that the Annual Accounts should follow a 'going concern' basis of accounting. Statutory arrangements with the constituent local authorities mean that the financial position of the Board remains assured.

The pension scheme net asset as at 31 March 2022 is £0.507m, an increase of £2.933m from the net liability reported last year of £2.426m as advised by the appointed actuaries. Positive investment returns have increased the asset share in the fund, while the adopted changes to the financial assumptions (based on financial market conditions at 31 March 2022) have led to a reduction in the value placed on the obligations. The appointed actuaries remain of the view that the asset holdings of Strathclyde Pension Scheme and the contributions from employees and employers provide sufficient security and income to meet future pension liabilities.

**General Reserves**

At their Board meeting on the 16 November 2012, the Board approved a Balance and Reserves Policy. The Board's Prudential Reserves Policy is to retain a prudential target of 2% of net expenditure i.e. constituent authority requisition level (21/22 £0.052m) or £0.100m, whichever is higher.

Funds held in excess of the prudential target can be spent or earmarked at the discretion of Board Members on behalf of the constituent authorities.

## **DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

As at 31 March 2022 the Board held total usable reserves of £0.957m (of which £0.055m relates to unapplied capital reserves) with the remaining balance comprising revenue reserves of £0.902m. A proportion of this is identified as an earmarked balance (£0.239m) to balance the 2022/23 budget.

The Board also received £0.225m from the Scottish Government passed onto to the board from constituent authorities for the implementation of the Barclay Review. Due to delays to the required legislation and the pandemic, the Board was unable to utilise the full grant resulting in an underspend of £0.058m. This underspend has also been identified as an earmarked reserve as detailed in note 9 Balances and Reserves.

Once the earmarked balances are accounted for, this leaves £0.605m of general reserves available for future use (including £0.100m prudential reserve as noted above).

The Board recognises the difficult financial climate facing public services and has continued to seek efficiencies where possible. The level of requisition made by the Board for 2021/22 remained the same as 2020/21. The Resource Spending Review announced by the Scottish Government in May 2022 presents a real terms reduction in local government funding for the next four years. This presents challenges to the Board in 2022/23 and beyond and management continue to plan for this to ensure ongoing service delivery reflecting the increasing workload to the Board.

### **Provisions and Contingencies**

The Board is not aware of any eventualities which may have a material effect on the financial position of the Board, and has made no provisions for such eventualities.

### **Group Annual Accounts**

The Board has been determined to have an “associate” relationship with each of its constituent authorities and, as such, the Board’s results have been consolidated into each authority’s group income and expenditure Annual Accounts.

### **Risk Management**

Risk Registers and the resultant Action Plan are revised annually. Inclusions in the Board (Strategic) Risk Register at the 2022 review were:

- The potential for the Board or its statutory officials to fail to meet their respective statutory duties, particularly with so much impending legislative change expected in the NDR function;
- The risk to both the Assessor and ERO’s statutory functions and to Board employees’ health arising from the COVID pandemic. As well as retaining this risk in the Board Risk Register a separate risk register detailing the effects of the pandemic and the government restrictions was used to record and mitigate the risks arising throughout the year;
- Current and expected future local government settlements, with static or reduced funding, bring a number of related financial risks and/or risk of failure to meet statutory duties, particularly in light of the changes to NDR and the likely long term effects on public sector funding caused by the COVID outbreak;
- The potential failure to deliver a successful and accurate Revaluation in 2023 and/or implement the changes introduced by the Non-Domestic Rating (NDR) Reform Act.;
- The combined effect of the pandemic and tranches of material change of circumstance appeals arising from it have resulted in a back-log of appeals, which increases the risk of failing to dispose of appeals by the statutory deadlines and delivering on other statutory tasks;
- The dependency of the Board on ICT for delivery of its statutory functions and service delivery;

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

- The regular, recent loss of employees through resignation and retirement, when coupled with difficulties in recruiting relevant staff, may result in failure to meet statutory duties or to maintain service levels.

As well as the Board Risk Register, which focusses on strategic risks, the Management Team annually review an Operational Risk Register and a number of other risk registers. All risks have planned actions to mitigate or minimise each risk and progress against these actions is monitored regularly at Management Team meetings.

### **3.3 EQUALITIES**

In April 2021 an Equality Report was published that reported on our Workforce Monitoring and Pay Gap data and updated on progress in achieving our Equality Outcomes. It also contained a review of our Outcomes. The Report can be viewed in full at <https://www.saa.gov.uk/dab-vjb/wp-content/uploads/sites/5/2021/04/Public-Sector-Equality-Duty-Report-2021-1.pdf>.

The Board's stated Equality 'Outcomes' have, for some years, been as follows:

- We are seen as an inclusive equal opportunities employer where all staff feel valued and respected; and
- Our Services meet the needs of, and are accessible, to all members of our community and our staff treat all service users, clients and colleagues with dignity and respect.

The review referred to above saw these as remaining relevant and worthy of retaining and, to target the consistently high gender pay gap which exists within the Board's staff, a further Outcome was added:-

- The VJB has a reduced level of gender based occupational segregation.

### **3.4 STAFFING MATTERS**

#### **Development and Training**

A new Performance, Training & Development Policy, which aims to create a more direct relationship between key employee tasks and organisational objectives and provide a more formalised structure for management of performance, was implemented during 2020/21.

In addition to staff's Core Training programme, training was provided across a range of subjects in 2021/22 largely through in-house training and e-learning facilities.

#### **Workforce Planning/Staffing**

The last year proved to be one of exceptional levels of turnaround in employees with eight resignations and five retirements taking effect during 2021/22 and two further resignations taking effect from 3 April 2022. This represents circa 25% of the total staffing number as at April 2021. These losses include three of the five members of the Senior Management Team, including the Depute Assessor & ERO.

Various rounds of ongoing recruitment have resulted in replacement appointments to most vacancies but not all to the same posts or with the same qualifications and experience. Particular difficulties have arisen in relation to recruitment of chartered surveyors to Valuer posts.

Whilst the Treasurer to the Board is not an employee of the Board, the post holder, Stephen West, also retired during the year and was replaced by Laurence Slavin.

## **DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

### **Personnel Policies**

During the year, the Board approved an Agile Working Policy, which provides fair and consistent processes to facilitate flexibility in how and where employees carry out their work, enabling them to maximise their productivity and performance. Guidance in relation to the ongoing pandemic has, however, prevented implementation of the Policy as it is intended to be applied.

### **3.5 FREEDOM OF INFORMATION**

The Board's 'Guide to Information' was updated and maintained as required with relevant documents available from [https://www.saa.gov.uk/dab-vjb/wp-content/uploads/sites/5/dlm\\_uploads/2022/03/DAB-Guide-to-Information-through-the-MPS-December-2020-update-March-2022.pdf](https://www.saa.gov.uk/dab-vjb/wp-content/uploads/sites/5/dlm_uploads/2022/03/DAB-Guide-to-Information-through-the-MPS-December-2020-update-March-2022.pdf)

A 'business as usual' approach has been taken to the majority of requests for information received, but in the calendar year to December 2021, 7 requests which specifically referred to the Freedom of Information Act were received. This compares to 6 requests in 2020 and 15 in 2019.

One request related to Electoral Registration, one to NDR (only) and two to Council Tax (only). Three requests covered both NDR and Council Tax. One request was responded to in full, four were responded to in so far as the data was held and exemptions were applied to two responses. No responses were subject to a request for Review. There were no recurring requests that could be satisfied by proactive publication of any particular information.

### **3.6 RECORDS MANAGEMENT**

An invitation to make a submission to the Keeper of the Records under the Progress Update Review process by May 2021 was not taken up but a progress update was submitted in May 2022.

### **3.7 PARTNERSHIPS**

The Board is actively involved in several partnerships with one of the most significant of these being the senior staff's membership of the Scottish Assessors' Association. More on the association can be found at <https://www.saa.gov.uk/about-the-saa/>.

Board staff are represented in the Association in all of its Category Committees, in working groups and as authors of Practice Notes. The co-operation and co-ordination of the Association is of critical importance in the completion, and defence of Revaluations.

During 2021/22, the Association was active as a consultative body in relation to secondary legislation arising from the 2020 Non-Domestic Rating (Scotland) Act and in relation to the transfer of powers from Valuation Appeal Committees to the Scottish Courts & Tribunals Service. The SAA has established a project plan for delivering the 2023 Revaluation, NDR reforms and other Barclay requirements.

The planning for, and provision of, Electoral Registration services is assisted by guidance received from the Electoral Commission and the Electoral Management Board for Scotland and by representation within the Association of Electoral Administrators. The Department of Levelling Up, Housing & Communities is an important stakeholder in respect of the modernisation of Electoral Registration services.

The Board obtains all of its 'back-office' functions including human resources, legal support, ICT support and financial services from West Dunbartonshire Council under a Service Level Agreement. Thanks are due to all of the West Dunbartonshire Council officials who support the Board.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**3.8 CONCLUSION**

2021/22 was a year in which the effects of the pandemic, government restrictions and public health continued to affect aspects of our operations, albeit to varying extents, throughout the year.

It is likely that each Annual Report makes mention of change but the Board can seldom have faced as much turmoil as during the last two years. Following as it did in the aftershock of 2020/21, 2021/22 was a year characterised by uncertainty.

The delivery of the Scottish Parliamentary Election in the context of the unknowns of a pandemic was something of an unheralded triumph for the electoral community and we were proud to be part of that effort - though it was not without its issues and internal strains. The lessons learned stood us in much better stead whilst preparing for the May 2022 Local Government Elections. The Elections Act (2022) is the harbinger of further significant change during 2022 and 2023 including the introduction of Voter ID cards.

Moving goalposts in relation to NDR reforms, the transfer of powers from Valuation Appeals Committees to the Tribunals Service, and the Government's various efforts to contain the effects of COVID-related NDR appeals have resulted in an almost constant sea of change, both during 2021/22 and forthcoming, in relation to NDR.

This amount of change has had to be planned for, implemented and managed in the context of a 25% turnaround in staff and a rebuild of the Management Team. Staff turnover is a fact of life but it is clear that loss of surveying staff, when taken with recent difficulties in recruiting qualified valuers, poses a risk to future service delivery.

Although the current indications in respect of the ongoing pandemic are encouraging, we will need to keep an awareness of the wider public health situation and revise plans and services accordingly.

Thanks are due to all staff and management for their endeavour, effort and co-operation throughout the year. Similarly, thanks are due to the Board, and in particular, the outgoing Convenor and Vice Convenor for their continued support.

The appointments of Councillor Vaughan Moody as Convenor of the Board and Councillor Lawrence O'Neill as the Vice Convenor, was agreed at the meeting of the Joint Board on 24 June 2022.

Councillor Vaughan Moody  
Convenor of the Board

David Thomson  
Assessor & Electoral Registration  
Officer

Laurence Slavin  
Treasurer

Date: 30 September 2022

Date: 30 September 2022

Date: 30 September 2022

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**REMUNERATION REPORT**

**Introduction**

The remuneration report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014. These Regulations require various disclosures about the remuneration and pension benefits of the Board and senior employees. All information disclosed in the tables 1-5 of the Remuneration Report will be audited by Audit Scotland. The other sections have also been reviewed by Audit Scotland to ensure that they are consistent with the Financial Statements.

**Arrangements for Remuneration**

No Councillors serving on the Board (including the Convenor and Vice-Convenor) receive any form of remuneration in respect of these roles.

The Board sets the remuneration levels for senior officers. Its role is to ensure the application and implementation of fair and equitable systems for pay and for performance management within the guidelines of and as determined by the Scottish Ministers and the Scottish Government. In reaching its decisions, the Board has regarded the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities.

The remuneration of senior employees is set by reference to national arrangements. The Board does not pay bonuses or performance related pay. Chief Officers receive business mileage and subsistence allowances in accordance with amounts either agreed nationally by the Scottish Joint National Council (SJNC) or as approved locally by the Board. Chief Officers are eligible to join the Local Government Pension Scheme (LGPS). The scheme is described in the Pension Benefits section.

**Remuneration**

The term *remuneration* means (as defined by the Regulations noted above): gross salary, fees and bonuses, allowances and expenses, and costs in relation to Early Retiral and Voluntary Severance. It excludes pension contributions paid by the Board. Pension contributions made to a person's pension are disclosed as part of the pension benefits disclosure.

**Table 1: Remuneration of Senior Employees**

Name	Position at 31/03/22	Year ended 31 March 2022		2020/21
		Salary, Fees & Allowances £000	Total Remuneration £000	Total Remuneration £000
David Thomson	Assessor & Electoral Registration Officer	105	105	104
Robert Nicol	Depute Assessor & ERO (left 17/10/21 )	47 (FYE 86)	47 (FYE 86)	86
Russell Hewton	Depute Assessor & ERO (started 01/02/22)	14 (FYE 86)	14 (FYE 86)	0

**1. The term *senior employee* means any Board employee:**

- Who has responsibility for the management of the Board to the extent that the person has the power to direct or control the major activities of the Board (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons; or
- Who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of Local Government and Housing Act 1989 (4); or
- Whose annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**Remuneration of Employees receiving more than £50,000**

The Board's employees receiving more than £50,000 remuneration for the year were paid the following amounts. In accordance with the disclosure requirement of the Regulations, the information in the table shows the number of employees in bands of £5,000. This information includes the senior employees who are subject to the fuller disclosure requirements in the tables above.

**Table 2: Remuneration**

<b>Bands</b> <b>£</b>	<b>Number of Employees</b>	
	<b>2020/2021</b>	<b>2021/2022</b>
50,000 to 54,999	1	1
55,000 to 59,999	0	0
60,000 to 64,999	2	2
80,000 to 84,999	0	0
85,000 to 89,999	1	0
100,000 to 105,000	1	1
<b>Total</b>	<b>5</b>	<b>4</b>

**Pension Benefits**

For local government employees, the LGPS 2015 is a career average pension scheme. This means that pension benefits from 01/04/2015 are based on pensionable pay with inflation added.

Pension is accrued at a rate of 1/49 of pensionable pay for each scheme year. Pension benefits can be accessed from age 55 but are reduced for retirements prior to 60<sup>th</sup> birthday. Pension benefits accrued before 1 April 2015 are protected and are based on final pay on retiring.

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. Table 3 below provides information on these tiered contribution rates.

**Table 3: Contribution Rate**

<b>The tiers and members contributions rates for 2021/22 whole time pay</b>	<b>Contribution rate 2021/22</b>
On earnings up to and including £22,300	5.50%
On earnings above £22,301 and up to £27,300	7.25%
On earnings above £27,301 and up to £37,400	8.50%
On earnings above £37,401 and up to £49,900	9.50%
On earnings of £49,901 and above	12.00%

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 1/49<sup>th</sup> of pay from 1 April 2015. Prior to this the accrual rate guarantees a pension based on 1/60<sup>th</sup> of final pensionable salary and years of pensionable service.

Prior to 2009 the accrual rate guaranteed a pension based on 1/80<sup>th</sup> and a lump sum based on 3/80<sup>th</sup> of final pensionable salary and years of pensionable service.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

The value of the accrued 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. Retirement can be taken with receipt of benefits in full from the normal pension age. The normal pension age is 65 for any benefits built up before 1 April 2015. For pension build up from 1 April 2015, the Normal Pension Age is not fixed at age 65 but, instead, is the same as the State Pension Age (but with a minimum of age 65).

**Pension Benefits of Senior Employees**

**Table 4: In-year contributions and accrued benefits**

Name	For year to 31 March 2022			For year to 31 March 2021		
	In-year Contribution	Pension	Accrued Pension benefits Lump Sum	In-year Contribution	Pension	Accrued pension benefits Lump Sum
	£000	£000	£000	£000	£000	£000
David Thomson	22	56	92	21	53	91
Robert Nicol	10	44	60	18	35	49
Russell Hewton	3	0	4	0	0	0

The pension figures shown relate to the benefits that the person has accrued as consequence of their total local government' service, and not just their current appointment.

The Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 make provision for authorities to make discretionary payments to local government employees to pay compensation for premature retirement. There were no discretionary payments made to senior employees during the year.

**Exit Packages**

There were no exit packages during financial years 2021/22 and 2020/21.

**Trade Union Facility Time**

Facility Time generates benefits for employees, managers and the wider community from effective joint working between union representatives and employers.

Details of the Facility Time within the Board during the year to 31 March 2022 are shown in the table below.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**Table 5: Trade Union**

<b>Trade Union Officials</b>	<b>Trade Union Representative</b>
0	1
<b>Percentage of Time Spent on Facility Time Percentage</b>	<b>Employees</b>
Less than <1%	1
<b>Total cost of facility time</b>	
£156	
<b>Total pay bill</b>	
£2,112,736	
<b>Percentage of Pay Bill Spent on Facility Time</b>	
0.00%	
<b>Paid TU Activities</b>	
100%	

Councillor Vaughan Moody  
Convenor of the Board  
Date: 30 September 2022

David Thomson  
Assessor and Electoral Registration Officer  
Date: 30 September 2022

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**STATEMENT OF RESPONSIBILITIES**

**The Boards Responsibilities:**

The Board is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Board has responsibility for the administration of those affairs. In this 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 is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and
- approve the Annual Accounts for signature.

I confirm that the Annual Accounts were approved for signature by the Board at its meeting on 30 September 2022.

Signed on behalf of Dunbartonshire and Argyll & Bute Valuation Joint Board.

Councillor Vaughan Moody  
Convenor of the Board  
Date: 30 September 2022

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**The Treasurer's Responsibilities:**

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

In preparing the 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; and
- complied with the Code of Practice on Local Authority Accounting in the United Kingdom.

**The Treasurer's Responsibilities:**

The Treasurer has also:

- kept adequate accounting records which were up to date; and
- 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 Board at the reporting date and the transactions of the Board for the year ended 31 March 2022.

Laurence Slavin  
Treasurer  
Date: 30 September 2022

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**ANNUAL GOVERNANCE STATEMENT**

The Annual Governance Statement is included within the Annual Accounts to assure stakeholders on how the Board directs and controls its functions and how it relates to communities which will enhance transparency and scrutiny of the Board's activities.

**Scope of Responsibility**

The Board is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and 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 this overall responsibility, 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, which includes arrangements for the management of risk.

**Governance Framework**

The Board has approved and adopted a Code of Corporate Governance (the Code), a Code of Good Governance and also relies on the governance arrangements of West Dunbartonshire Council which are consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework.

The above code explains how the Board aims to deliver good governance and reviews the effectiveness of these arrangements on an annual basis.

Delivering Good Governance in Local Government Framework, published by CIPFA in association with Solace in 2007 and updated in 2016, sets the standard for local authority governance in the UK and applies to annual governance statements prepared for the financial year 2016/17 onwards.

While the Delivering Good Governance in Local Government Framework is written in a local authority context, most of the principles are applicable to the Board, and on the recommendation of our external auditors, the Board has adopted this process as part of its overall approach to governance.

In accordance with a Code of Good Governance which was approved by the Board in March 2018, a self-assessment against the above CIPFA framework is completed annually and an Action Plan agreed. The Management Team regularly monitor progress against the actions in the Action Plan. The Local Code of Good Governance and the Action Plan can be found on the Board's website at: <https://www.saa.gov.uk/dab-vjb/best-value/>

The Board has also put in place a system of internal financial control designed to manage risk to a reasonable level. Internal controls cannot eliminate risk of failure to achieve statutory duties, policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal financial control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Board's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework comprises the systems and processes, and culture and values, by which the Board is directed and controlled. It also describes the way it engages with, and accounts to, its stakeholders.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

Within the overall control arrangements the system of internal 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 overall control arrangements include:

- comprehensive budgeting systems;
- regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital expenditure guidelines; and
- an effective Internal Audit service.

**Review of Effectiveness**

The Board has a responsibility for ensuring the continuing effectiveness of its governance framework and its system of internal financial control. The Shared Services Manager Audit & Fraud produces an annual audit plan based on a risk assessment of the Council's and the Board's systems and processes. The audit plan is approved by the Audit Committee of the Council. This Committee meets regularly and receives reports from the Shared Services Manager Audit & Fraud. The Board's external auditors also attend. The Shared Services Manager Audit & Fraud produces an annual report on the work carried out by Internal Audit during the year. This report contains a view on the effectiveness of the system of internal financial control.

The Internal Audit service operates in accordance with Public Sector Internal Audit Standards (PSIAS). The Shared Services Manager Audit & Fraud meets regularly with chief internal auditors of other authorities and staff within the Internal Audit Service are appropriately trained.

Our review of the effectiveness of the system of internal financial control is informed by:

- the work of managers within both the Board and West Dunbartonshire Council who have responsibility for the development and maintenance of the financial control framework;
- the work undertaken by West Dunbartonshire Council's Internal Auditors during the year to 31 March 2022;
- the assessment of risk completed during reviews of the strategic audit plan;
- reports issued by the Board's External Auditors and other review bodies; and
- knowledge of the Board's governance, risk management and performance monitoring arrangements.

Through West Dunbartonshire Council, the Board's financial management arrangements conform with the governance requirements of the CIPFA Statement on The Role of Chief Financial Officer in Local Government 2010.

We are satisfied that the Board has in place a sound system of internal financial control and that appropriate mechanisms are in place to identify any areas of weakness and to take appropriate action. This is corroborated by an Annual Assurance Statement prepared by the Shared Services Manager Audit & Fraud, stating that reasonable assurance can be placed upon the adequacy and effectiveness of the Board's internal control system in the year to 31 March 2022.

## **DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

### **Annual Performance**

Examples of developments which have led to significant improvement in arrangements for control, governance or risk management within the Board during 2021/22 include:

- To ensure compliance with best practice in handling personal data and to provide improved clarity on legal responsibility for processing such data, a formal Data Sharing Agreement was agreed with West Dunbartonshire Council (WDC) covering the processes and procedures around the Council's handling of VJB data for the purposes of HR&OD, payroll and pensions.
- To provide explicit authority for the holding of virtual/blended Board meetings and clarify the procedures for such meetings, a review of the Board's Standing Orders was completed and a revised version approved by the Board.
- The Board's Counter Fraud & Corruption Policy and Business Irregularities Procedures were reviewed and updated to ensure that Board policies and governance procedures are current, clear and relevant.
- A new Performance, Development and Training Policy was implemented, creating a more direct relationship between key employee tasks and organisational objectives and providing a more formalised structure for management of performance.
- Various NDR developments related to 'Barclay' recommendations, or arising from legislative change were progressed. In particular, the back-office/ICT changes required to facilitate further expansion of valuations available at the SAA portal and making Portal Property Rental Lists available at Revaluation have been completed. ICT changes also facilitated automation of Revaluation processes.
- A review of the 2020 annual electoral canvass resulted in minor improvements to the procedures adopted for 2021.
- To provide enhanced resilience in relation to the effects of the COVID outbreak, various contingency arrangements, including the establishment of a Risk Register, the employment of temporary staff and procurement of additional equipment, were implemented in the lead up to the Scottish Parliamentary Election in May 2021. Contingency arrangements were also implemented in advance of the Local Government Elections in May 2022.

The following areas were identified by the Assessor & ERO for further improvements in 2022/23:

- In line with best practice, officers will provide induction training to the Board members following the May 2022 election and the formation of a new Board.
- An review of the Code of Conduct, to reflect the Board's new Public Interest Disclosure Policy and make explicit the Board's zero tolerance to fraud and corruption, will be finalised and presented to the Board for approval.
- Further consideration will be given to the secondary legislation which will be required to implement the Non-Domestic Rates (Scotland) Act 2020 Act. The Management Team, internal NDR Reform Project Team and our ICT Support Team will devise and amend procedures and systems, with a strong focus on the new appeals system that will come into effect on 1 January 2023.
- We will continue to review the annual canvass process in light of the outcomes of the 2021 canvass and in the context of the Electoral Commission's Performance Standards and the agreed SAA KPIs. The agreed KPI statistics will be collected and benchmarked against other Scottish EROs to further inform improvement action.
- The Board's Financial Regulations will be reviewed and, if necessary, revised.
- Documentation and staff guidance will be reviewed and updated where any deficiency is identified in the ongoing Internal Audit of process digitisation.
- To ensure its relevance and to reflect changing technologies, the Board's ICT Strategy will be reviewed and updated.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**Assurance**

On the basis of the assurance provided, we consider the governance and internal control environment operating during 2021/22 to provide reasonable and objective assurance that any significant risks impacting on the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment and action plans are in place to address identified areas for improvement.

Councillor Vaughan Moody  
Convenor of the Board

David Thomson  
Assessor & Electoral Registration  
Officer

Laurence Slavin  
Treasurer

Date: 30 September 2022

Date: 30 September 2022

Date: 30 September 2022

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**Independent auditor's report to the members of Dunbartonshire and Argyll & Bute  
Valuation Joint Board and the Accounts Commission**

Reporting on the audit of the financial statements

**Opinion on financial statements**

I certify that I have audited the financial statements in the annual accounts of Dunbartonshire and Argyll and Bute Valuation Joint Board for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash flow Statement and Notes to the Annual Accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of the body as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

**Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 June 2021. The period of total uninterrupted appointment is two years. I am independent of Dunbartonshire and Argyll and Bute Valuation Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Dunbartonshire and Argyll and Bute Valuation Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Conclusions relating to going concern basis of accounting**

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Dunbartonshire and Argyll & Bute Valuation Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on Dunbartonshire and Argyll and Bute Valuation Joint Board's current or future financial sustainability.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

However, I report on Dunbartonshire and Argyll and Bute Valuation Joint Board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

**Risks of material misstatement**

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

**Responsibilities of the Treasurer and Joint Board for the financial statements**

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

In preparing the financial statements, the Treasurer is responsible for assessing Dunbartonshire and Argyll & Bute Valuation Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue Dunbartonshire and Argyll and Bute Valuation Joint Board's operations.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how Dunbartonshire and Argyll and Bute Valuation Joint Board is complying with that framework;
- identifying which laws and regulations are significant in the context of Dunbartonshire and Argyll and Bute Valuation Joint Board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Dunbartonshire and Argyll and Bute Valuation Joint Board's controls, and the nature, timing and extent of the audit procedures performed.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skillfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

***Reporting on other requirements***

**Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report**

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

**Other information**

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

**Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement**

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

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

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**Matters on which I am required to report by exception**

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

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

I have nothing to report in respect of these matters.

**Conclusions on wider scope responsibilities**

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

***Use of my report***

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

**Christopher Gardner  
Audit Scotland  
8 Nelson Mandela Place  
Glasgow  
G2 1BT**

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**INTRODUCTION TO ANNUAL ACCOUNTS**

The Annual Accounts comprise the following primary statements:

- Comprehensive Income and Expenditure Statement;
- Movement in Reserves Statement;
- Balance Sheet;
- Cashflow Statement; and
- Summary of significant accounting policies and other explanatory notes.

**Comprehensive Income and Expenditure Statement**

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from constituent authority contributions.

**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 other 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. The net increase/decrease before transfer to earmarked reserves line shows the statutory general fund balance before any discretionary transfers to or from earmarked reserves undertaken by the 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 assets of the Board (assets less liabilities) are matched by the reserves held by the Board. Reserves are reported in two categories. The first of the category of reserves are usable reserves, i.e. those reserves that the Board may use to provide services, subject to any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure). The second category of reserves is those that the Board is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where accounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the movement in reserves statement line 'adjustments between accounting basis and funding basis under regulations'.

**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 authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. 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 (i.e. borrowing) to the Board.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**

Restated 2020/21 Net Expenditure £000		Notes	2021/22 Net Expenditure £000
	<b>Income</b>		
(11)	Customer Receipts		(11)
	<b>Expenditure</b>		
2,474	Employee Costs	2	2,579
105	Property Costs		108
7	Transport Costs		11
308	Supplies & Services		280
43	Payment to Other Bodies		35
123	Support Services		123
15	Depreciation, Amortisation & Impairment	2/6	14
<b>3,064</b>	<b>Net Cost of Service</b>		<b>3,139</b>
(2,755)	Revenue Contributions	13	(2,837)
(132)	Government Grants	14	(87)
(22)	Capital Contributions	10	(23)
<b>(2,909)</b>	<b>Other Operating Income</b>		<b>(2,947)</b>
<b>155</b>	<b>Net Operating Expenditure</b>		<b>192</b>
(1)	Interest Receivable		0
76	Net Interest on the net defined benefit liability/(assets)	4	53
<b>75</b>	<b>Finance and Investment Income and Expenditure</b>		<b>53</b>
<b>230</b>	<b>(Surplus)/Deficit on provision of services</b>		<b>245</b>
(1,074)	Remeasurement of the net defined benefit liability/(assets)	4	(3,428)
0	(Surplus)/Deficit arising from revaluation of property, plant and equipment		(39)
<b>(1,074)</b>	<b>Other Comprehensive (Income) &amp; Expenditure</b>		<b>(3,467)</b>
<b>(844)</b>	<b>Total Comprehensive (Income) &amp; Expenditure</b>		<b>(3,222)</b>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**MOVEMENT IN RESERVES STATEMENT**

2021/22

	Usable Reserves		Unusable Reserves				Total Reserves £000
	Fund Balance £000	Capital Requisition Unapplied Account £000	Capital Adjustment Account £000	Revaluation Reserve £000	Pension Reserve £000	Employee Statutory Mitigation Account £000	
<b>Opening Balance as at 1 April 2021</b>	694	41	605	35	(2,426)	(61)	(1,112)
<b>Movements in Reserves</b>							
Surplus or (Deficit) on provision of Services	(245)	0	0	0	0	0	(245)
Other Comprehensive Income and Expenditure	0	0	0	39	3,428	0	3,467
<b>Total Comprehensive Income and Expenditure</b>	<b>(245)</b>	<b>0</b>	<b>0</b>	<b>39</b>	<b>3,428</b>	<b>0</b>	<b>3,222</b>
<b>Adjustments between accounting basis &amp; Funding Basis</b>							
Depreciation	14	0	(14)	0	0	0	0
Pension Scheme Adjustment	495	0	0	0	(495)	0	0
Net Transfer to or from earmarked reserves required by legislation	(33)	0	0	0	0	33	0
Capital requisitions applied to fund capital expenditure	(23)	23	0	0	0	0	0
Capital requisitions unapplied adjustments between accounting basis and funding basis under regulations	(0)	(9)	9	0	0	0	0
<b>Total Statutory Adjustments</b>	<b>453</b>	<b>14</b>	<b>(5)</b>	<b>0</b>	<b>(495)</b>	<b>33</b>	<b>0</b>
<b>Increase/Decrease in Year</b>	<b>209</b>	<b>14</b>	<b>(5)</b>	<b>39</b>	<b>2,933</b>	<b>33</b>	<b>3,222</b>
<b>Balance at 31 March 2022</b>	<b>902</b>	<b>55</b>	<b>600</b>	<b>74</b>	<b>507</b>	<b>(28)</b>	<b>2,110</b>
<b>Total Usable</b>		<b>957</b>		<b>Total Unusable</b>		<b>1,153</b>	

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**MOVEMENT IN RESERVES STATEMENT**

**Restated - 2020/21**

	Usable Reserves		Unusable Reserves				Total Reserves £000
	Fund Balance £000	Capital Requisition Unapplied Account £000	Capital Adjustment Account £000	Revaluation Reserve £000	Pension Reserve £000	Employee Statutory Mitigation Account £000	
<b>Opening Balance as at 1 April 2020</b>	584	38	600	35	(3,190)	(23)	(1,956)
<b>Movements in Reserves</b>							
Surplus or (Deficit) on provision of Services	(230)	0	0	0	0	0	(230)
Other Comprehensive Income and Expenditure	0	0	0	0	1,074	0	1,074
<b>Total Comprehensive Income and Expenditure</b>	<b>(230)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,074</b>	<b>0</b>	<b>844</b>
<b>Adjustments between accounting basis &amp; Funding Basis</b>							
Depreciation	15	0	(15)	0	0	0	0
Pension Scheme Adjustment	310	0	0	0	(310)	0	0
Net Transfer to or from earmarked reserves required by legislation	38	0	0	0	0	(38)	0
Capital requisitions applied to fund capital expenditure	(22)	22	0	0	0	0	0
Capital requisitions unapplied adjustments between accounting basis and funding basis under regulations	(0)	(19)	19	0	0	0	0
<b>Total Statutory Adjustments</b>	<b>341</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>(310)</b>	<b>(38)</b>	<b>0</b>
<b>Increase/Decrease in Year</b>	<b>111</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>764</b>	<b>(38)</b>	<b>844</b>
<b>Balance at 31 March 2021</b>	<b>695</b>	<b>41</b>	<b>604</b>	<b>35</b>	<b>(2,426)</b>	<b>(61)</b>	<b>(1,112)</b>
<b>Total Usable</b>		<b>736</b>		<b>Total Unusable</b>		<b>(1,848)</b>	

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**BALANCE SHEET AS AT 31 MARCH 2022**

Restated 31 March 2021 £000	Notes		31 March 2022 £000
640	6	Property, plant and equipment	674
<b>640</b>		<b>Total Long Term Assets</b>	<b>674</b>
897	7	Short Term Debtors	994
<b>897</b>		<b>Current Assets</b>	<b>994</b>
(223)	8	Short Term Creditors	(65)
<b>(223)</b>		<b>Current Liabilities</b>	<b>(65)</b>
(2,426)	4	Net Pensions Asset/(Liability)	507
<b>(2,426)</b>		<b>Long Term Assets/(Liabilities)</b>	<b>507</b>
<b>(1,112)</b>		<b>Net Assets/(Liabilities)</b>	<b>2,110</b>
		<b>Represented by:</b>	
736	9/10	Usable Reserves	957
(1,848)	11	Unusable Reserves	1,153
<b>(1,112)</b>		<b>Total Reserves</b>	<b>2,110</b>

The unaudited Financial Statements were issued on 24 June 2022 and the audited Annual Accounts were authorised for issue on 30 September 2022.

**Laurence Slavin  
Treasurer  
30 September 2022**

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**CASH FLOW STATEMENT**

2020/21 £000		2021/22 £000
	<b>Operating Activities</b>	
(2,887)	Grants	(2,924)
(11)	Sale of goods and rendering of services	(11)
<u>(2,898)</u>	Cash Inflows from Operating Activities	<u>(2,935)</u>
2,128	Cash paid to and on behalf of employees	2,238
773	Other payments for operating activities	716
<u>2,901</u>	Cash Outflows from Operating Activities	<u>2,954</u>
<u>3</u>	Net Cash Flows from Operating Activities	<u>19</u>
	<b>Investing Activities</b>	
19	Purchase of Assets	4
(22)	Other receipts from investing activities	(23)
<u>(3)</u>	<b>Net Cash Flows from Investing Activities</b>	<u>(19)</u>
	<b>Financing Activities</b>	
0	Interest Payable	0
<u>0</u>	<b>Net Cash Flows from Financing Activities</b>	<u>0</u>
<u>0</u>	<b>Net (Increase)/Decrease in Cash and Cash Equivalents</b>	<u>0</u>
0	Cash and cash equivalents at the beginning of the reporting period	0
0	Cash and cash equivalents at the end of the reporting period	0
<u>0</u>		<u>0</u>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**NOTES TO THE ANNUAL ACCOUNTS**

**Note 1 - Accounting Policies**

**1. General Principles**

The Annual Accounts summarise the Board's transactions for the 2021/22 financial year and its position at the year end of 31 March 2022. The Board is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 1985. Section 12 of the Local Government in Scotland Act 2003 requires 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 2021/22 ("the Code") and the Service Reporting Code of Practice, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Annual Accounts is principally historic cost, modified by the revaluation of certain categories of Property, Plant and Equipment and financial instruments.

**2. Accruals of Income and Expenditure**

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

- Revenue from the provision of services is recognised when the Board can measure reliably the percentage of completion of the transaction and when it is probable that the economic benefits associated with the transaction will flow to the Board;
- Expenses in relation to services received are recorded as expenditure when the services are received, rather than when payment is made;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet based upon materiality;
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument, rather than on cash flows fixed or determined by the contract; and
- Where income 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 charged to revenue for the income that might not be collected.

**3. 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.

Cash equivalents are investments that mature in three months or less from date of acquisition and that are readily convertible to known cash amounts, with insignificant risk of change of value.

Investments held by the Board comprise solely of short term surplus funds held within the bank balances. All deposits are held in sterling. The carrying amount is the outstanding principal receivable.

Bank balances are included in the Balance Sheet at the closing balance in the Board's financial ledger and include cheques payable not yet cashed.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**4. Changes in Accounting policies, Estimates and Errors**

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors requires disclosure of information on the expected impact of new accounting standards that have been issued but are not yet effective. These have been reviewed and are not deemed to be significant for the financial statements.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, events or conditions on the Board's financial position or performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative figures, as if the new policy has always been applied.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years only.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative figures.

**5. Charges to Revenue for non-current assets**

Services are debited with the following amounts to record the cost of using or holding fixed assets during the year:

- Depreciation, attributable to the assets used by the Board;
- Revaluation and impairment losses, where there is no accumulated gain in the Revaluation Reserve; and
- Amortisation of intangible fixed assets.

The Board is not required to raise funds to cover depreciation, revaluation or impairment losses. Depreciation, revaluation and impairment losses and amortisations are replaced by the revenue provision by an adjustment within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

**6. Intangible assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Board as a result of past events (e.g. computer software and/or software licences) is capitalised when it is expected that future economic or service benefits will flow from the asset to the Board.

Assets are measured originally at cost and only revalued where the fair value of the asset can be determined by reference to an active market.

Where an intangible asset has a finite useful life, the depreciable amount of an intangible asset is depreciated over its useful life in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired any losses recognised are posted in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is recognised in the Surplus or Deficit on the Provision of Services when the asset is derecognised.

Where expenditure qualifies as capital for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the Board's balance and are therefore reversed out in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**7. Property, Plant and Equipment**

Assets that have physical substance and are held for the supply of goods and services, either directly or indirectly, 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 asset can be measured reliably. Expenditure that maintains, but does not add to the asset's potential to deliver future economic benefits or service potential, is charged as an expense when it is incurred.

Measurement

Initially measured at cost, comprising of:

- Purchase price;
- Any costs associated with bringing the asset to the location or condition necessary for it to be capable of operating in the manner intended by management; and
- The initial estimate of costs for dismantling and removing the item and restoring the site on which it is located to its original state.

Where property, plant or equipment are acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, the cost of the acquired item shall be measured at fair value unless there is no economic substance to the exchange transaction, or the fair value of neither the asset received nor the asset given up can be reliably measured. The acquired item is measured at fair value even if the Board cannot immediately derecognise the asset given up. The acquired item is measured at the carrying amount of the asset given up if it is not measured at fair value.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Other buildings – fair value. Where there is no market based evidence of fair value because of the specialised nature of the asset and the asset is rarely sold, depreciated replacement cost is used as an estimate of fair value; and
- Plant and equipment and other non -property assets – fair value. Where assets in this class have either short useful lives or low values (or both), depreciated historical cost is considered to be a proxy for fair value where the useful life is a realistic reflection of the life of the asset and the depreciation method provides a realistic reflection of the consumption of the asset class.

Assets included in the Balance Sheet at fair value are re-valued regularly to ensure their carrying amount is not materially different from the fair value at the year end, as a minimum every 5 years.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, the revaluation loss is accounted by:

- Balance of revaluation gains for the asset in Revaluation Reserve – the carrying amount of the asset is written down against that balance (up to the total gain); or
- No balance of revaluation gains for the asset in the Revaluation Reserve – the carrying amount is written down in the Comprehensive Income and Expenditure Statement.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

**Impairment**

Assets are assessed at the end of each financial year for evidence in impairment or a reduction in value. Where indications exist and any possible differences are estimated to be material, the recoverable amount on the asset is estimated and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Balance of revaluation gains for the asset in Revaluation Reserve – the carrying amount of the asset is written down against that balance (up to the total accumulated gains); or
- No balance of revaluation gains for the asset in the Revaluation Reserve – the carrying amount is written down in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would be charged if the loss had not been recognised.

**Depreciation**

Depreciation is provided on all property, plant and equipment over their useful economic lives, with an exception made for assets without a determinable finite useful life (i.e. non depreciating land).

The useful lives of assets, as estimated and advised by a suitably qualified officer, are as follows:

- |                          |             |               |
|--------------------------|-------------|---------------|
| • Other buildings*       | 20-60 years | straight line |
| • Vehicles, plant, equip | 5-10 years  | straight line |
| • Intangibles            | 5-10 years  | straight line |

\* Including components such as structure, mechanical and electrical, etc.

Where an item of property, plant and equipment assets has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current depreciation charged on assets and the depreciation that would be chargeable based upon historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

## **8. Employee Benefits**

### **Benefits payable during employment**

Short term employee benefits (i.e. fall due within 12 months of the year-end), such as wages and salaries, paid leave, paid sick leave, bonuses and non-monetary benefits for current employees are recognised as an expense in the year in which the employees render service to the Board.

An accrual is made against the services in the Surplus or Deficit on the Provision of Service for the costs of holiday entitlement and other forms of leave earned by the employee but not taken before the year end and which employees can carry forward into the next financial year.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

Any accrual made in relation to holiday pay only, is required under statute to be reversed out of the General Fund balance by a credit to the Employee Statutory Mitigation Account in the Movement in Reserves Statement.

**Termination Benefits**

Termination benefits are amounts payable as a result of a decision made by the Board to terminate an officer's employment before the normal retirement date or an officer's decision to accept a voluntary termination package in exchange for those benefits. Termination benefits do not provide the Board with future economic benefits and consequently they are recognised on an accruals basis immediately in the Surplus or Deficit on the Provision of Services line in the Comprehensive Income and Expenditure Statement when the authority is demonstrably committed to provision of the termination benefits.

Where termination benefits involve the enhancement of pensions, they are treated as pension costs for the purpose of the statutory transfer between the Pension Reserve and the General Fund of the amount by which the pension costs calculated in accordance with the Code are different from the contributions due under the pension scheme regulations. In the Movement in Reserves Statement appropriations are required to and from the Pension Reserve to remove notional debits and credits for termination benefits related to pension's enhancements and replace them with the cost of the cash paid, including any amounts due and not paid at the year end.

**Post-Employment Benefits**

Employees of the Board are members of The Local Government Pensions Scheme, administered by Glasgow City Council.

The scheme provides defined benefits to members earned as employees of the Board. The Local Government scheme is accounted for as a defined benefits scheme:

- The liabilities of the pension fund attributable to the Board are included within 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 upon assumptions about mortality rates, employee turnover rates and projection of earnings for current employees),
- Liabilities are discounted to their value at current prices using a discount rate of 2.7% (based upon the indicative return rate on long dated high quality corporate bonds);
- All assets are at bid value and are split into Quoted Prices in Active Markets and Prices not quoted in Active Markets, they are now shown in the notes in more detail; and
- Split by Equity Securities, Debt Securities, Private Equity, Real Estate, Investment Funds, Derivatives, Cash.
- The change in the net pensions asset / liability is analysed into six components:
  - Current service cost – the increase in liabilities as result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employee worked;
  - Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

- Net Interest expenses – the expected increase in the present value of liabilities during the year as they move one year closer, less the fair value of plan assets debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- Gains/losses on settlements and curtailments – the result of actions to relieve the Board of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited/credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
- 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 – debited to the Pensions Reserve; and
- Contributions paid to the local government 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 Fund 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 in accordance to the relevant accounting standards. In the Movement in Reserves Statement this means that there are appropriations to and from the Pension Reserve to remove any notional debits and credits for retirement benefits and replace them with the cash paid or payable at the year end, to the pension fund and pensioners.

**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.

**9. 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 have been identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Annual Accounts are adjusted to reflect this; and
- Those that are indicative of conditions that arose after the reporting period – the Annual Accounts are not adjusted to reflect this. However, if the event is material, a disclosure is made within the notes of the nature and financial effect.

**10. Operating Leases**

**Board as Lessee**

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 it does not match the pattern of payment.

**Board as Lessor**

Where the Board grants an operating lease over an asset, the asset is retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the lease, even if it doesn't match the pattern of payment.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**11. Provisions**

Provisions are made where an event has taken place that gives the Board an obligation, either legal or constructive, as a result of a past event that results in a probable outflow of resources and a reliable estimate can be made of the amount of that obligation.

Provisions are charged as an expense to the Comprehensive Income and Expenditure Statement in the year the Board becomes aware of the obligation and measured at the best estimate at the Balance Sheet date, taking account of 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 is now required; the provision is reversed and credited back to the relevant service.

**12. 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 as a note to the accounts, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**13. 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 disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits.

**14. VAT**

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

**15. 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.

**Note 2 – Expenditure and Funding Analysis**

The analysis of income and expenditure on the face of the comprehensive income and expenditure statement is that specified by the Service Reporting Code of Practice. However decisions about resource allocation are taken by the Board on the basis of reports that are prepared on a different basis from the accounting policies used in the financial statements.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the revaluation reserve and amortisations are charged to the Board in the comprehensive income and expenditure statement); and
- the cost of retirement benefits is based on cash flows (payments of employer's pension's contributions) rather than current service cost of benefits accrued in the year.

The difference between the employee costs figure and the figure reported in the Comprehensive Income & Expenditure Statement is due to accounting adjustments for pensions and holiday pay accrual as detailed in the table below. These costs are year-end adjustments that are offset by corresponding transfers to the Balance Sheet and the Movement in Reserves Statement. None of the other rows within the Comprehensive Income & Expenditure Statement would be altered in the Expenditure and Funding Analysis and therefore have not been included in the table below.

**2021/22**

	<b>Net Chargeable to the General Fund £000</b>	<b>Adjustments between Funding and Accounting Basis £000</b>	<b>Net Expenditure in the Comprehensive Income and Expenditure Statement £000</b>
Employee Costs	2,170	409	2,579
Depreciation	0	14	14
Capital Income	0	(23)	(23)
Net Interest on the net defined benefit liability/(assets)	0	53	53
<b>Total</b>	<b>2,170</b>	<b>453</b>	<b>2,623</b>

**Restated 2020/21**

	<b>Net Chargeable to the General Fund £000</b>	<b>Adjustments between Funding and Accounting Basis £000</b>	<b>Net Expenditure in the Comprehensive Income and Expenditure Statement £000</b>
Employee Costs	2,195	279	2,474
Depreciation	0	15	15
Capital Income	0	(22)	(22)
Net Interest on the net defined benefit liability/(assets)	0	76	76
<b>Total</b>	<b>2,195</b>	<b>348</b>	<b>2,543</b>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**Note 3 – Operating Leases**

**Board as Lessor**

The Board leases out property under operating leases to provide suitable accommodation to Alpha Pets.

The minimum lease payments in future years are:

<b>31 March 2021</b>		<b>31 March 2022</b>
<b>£000</b>		<b>£000</b>
2	Not later than one year	1
0	Later than one year and not later than five years	0
0	Later than five years	0
<b>2</b>		<b>1</b>

**Board as Lessee**

The Board has acquired a number of photocopiers, scanners and letter openers by entering into operating leases.

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

<b>31 March 2021</b>		<b>31 March 2022</b>
<b>£000</b>		<b>£000</b>
3	Not later than one year	3
10	Later than one year and not later than five years	8
0	Later than five years	0
<b>13</b>		<b>11</b>

**Note 4 – Defined Benefit Pension Schemes**

As part of the terms and conditions of employment of its officers, the 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 that needs to be disclosed at the time that employees earn their future entitlement.

The Board participates in the Strathclyde Local Government Pension Scheme, which is a defined benefit statutory scheme, operated as Strathclyde Pension Fund, and administered by Glasgow City Council in accordance with the Strathclyde Local Government Pension Scheme (Scotland) Regulations 1998. This is a funded scheme, meaning that the Board and employees pay contributions into a fund, calculated at a level intended to balance the pensions' liabilities with investment assets.

The employers' contribution rate is set by the Fund actuaries following valuation. The employer contribution rate for 2021/22 is set at 23.3% and 2020/21 was 23.3%. In 2021/22, the Board paid an employer's contribution of £0.320m (2020/21 £0.313m).

In addition, the Board is responsible for all pension payments relating to added years' benefits which it has awarded together with the related increases. Strain on the Fund costs are charged in year for any early retirals. There was no Severance or Strain on the Fund Payments during financial year 2021/22 (2020/21 £0).

The Board fully complies with the international accounting standard (IAS 19) concerning the disclosure of information on pension.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

IAS 19 states that although the pension benefits will not be payable until the employee retires; the Board has a commitment to make these payments and must disclose the cost of this in its accounts at the time employees earn their future entitlements.

The Board recognised the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However the charge that the Board is required to make against its budget is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the general fund via the movement in reserve statement. The following transactions have been made in the comprehensive income and expenditure statement and the general fund balance via the movement in reserves statement during the year.

<b>2020/21</b>		<b>2021/22</b>
<b>£000</b>		<b>£000</b>
	<b>Net cost of services</b>	
556	Current service cost	771
0	Past service cost (including curtailments)	0
<b>556</b>		<b>771</b>
	<b>Financing and investment Income and Expenditure</b>	
76	Net Interest	53
<b>76</b>		<b>53</b>
<b>632</b>	<b>Total post-employment benefit charged to the Surplus or Deficit on the provision of Services</b>	<b>824</b>
(4,854)	Return on assets excluding amounts included in net interest	(1,464)
5,293	Changes in financial assumptions	(1,831)
(856)	Changes in demographic assumptions	(171)
(657)	Other experience	38
<b>(1,074)</b>	<b>Total remeasurements recognised in Other Comprehensive Income (OCI)</b>	<b>(3,428)</b>
	<b>Movement in Reserves Statement</b>	
(632)	Reversal of net charges made to surplus of deficit for post-employment benefits	(824)
<b>313</b>	<b>Actual amount charged against the General Fund balance in the year</b>	<b>320</b>
	Employer contributions payable to Scheme	

The underlying assets and liabilities for retirement benefits attributable to the Board as at 31 March 2022 are as follows:

	<b>2020/21</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Fair value of plan assets	25,545	27,399
Present Value of defined benefit obligations	(27,736)	(26,673)
<b>Net (liabilities)/assets in the Strathclyde Pension Fund</b>	<b>(2,191)</b>	<b>726</b>
<u>Present Value of Unfunded Liabilities</u>	<u>(235)</u>	<u>(219)</u>
Pre Local Government Reorganisation		
<b>Net pension asset/(liability)</b>	<b>(2,426)</b>	<b>507</b>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

For the Strathclyde Local Government Pension Scheme at 31 March 2022 the Board has a net asset £0.726m and for the unfunded liabilities a net liability of £0.219m, resulting in an overall net pension asset of £0.507m at 31 March 2022. This compares to a net liability of £2.426m as at 31 March 2021, representing an improvement in the position of £2.933m.

The actual return on assets is based on long term future investment return for each asset class as at the beginning of the period. The actual rate of returns is 7.7% as at 31/03/22, this is a decrease from 25.1% as at 31/03/21.

Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities of the fund discounted to their present value. The rate used to value liabilities is the basis of long dated high quality corporate bonds.

The movement during the year on the defined obligation is noted as:

<b>2020/21</b>		<b>2021/22</b>
<b>£000</b>		<b>£000</b>
24,556	Opening balance	27,971
556	Current service cost	771
0	Past service cost (including curtailments)	0
566	Interest cost	562
103	Contributions by Members	102
5,293	Actuarial gains/losses in financial assumptions	(1,831)
(1,706)	Other Experience	38
(9)	Estimated unfunded benefits paid	(9)
(532)	Estimated benefits paid	(541)
(856)	Changes in demographic assumptions	(171)
<b>27,971</b>		<b>26,892</b>

The movement during the year regarding the fair value of the employer's assets is noted as:

<b>2020/21</b>		<b>2021/22</b>
<b>£000</b>		<b>£000</b>
21,366	Opening balance	25,545
4,854	Expected return on assets	1,464
490	Interest Income	509
103	Contributions by Members	102
313	Contributions by employer	320
9	Contributions in respect of unfunded benefits	9
(9)	Estimated unfunded benefits paid	(9)
(1,049)	Other experience	0
(532)	Estimated benefit paid	(541)
<b>25,545</b>		<b>27,399</b>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

The Board's share of the pension funds asset at 31 March 2022 comprised:

Asset Category	31 March 2021			31 March 2022		
	Quoted Prices in Active Markets £000	Prices not Quoted in Active Markets £000	Total £000	Quoted Prices in Active Markets £000	Prices not Quoted in Active Markets £000	Total £000
Equity Securities	5,793	30	5,823	6,024	13	6,037
Debt Securities	0	0	0	0	0	0
Private Equity	0	4,704	4,704	0	5,364	5,364
Real Estate	0	2,078	2,078	0	2,311	2,311
Investment funds and unit trusts	235	12,227	12,462	152	12,838	12,990
Derivatives	(2)	0	(2)	0	0	0
Cash & Cash Equivalent	466	14	480	688	9	697
<b>Totals</b>	<b>6,492</b>	<b>19,053</b>	<b>25,545</b>	<b>6,864</b>	<b>20,535</b>	<b>27,399</b>

**Asset and Liability Matching Strategy (ALM)**

The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching strategy (ALM) as this is used mainly by mature funds. The Fund does match, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. As is required by the pensions and investment regulations, the suitability of various types of investment has been considered, as has the need to diversify investments to reduce the risk of being invested into narrow a range. The Fund invests in equities, bonds, properties and in cash.

The principal actuarial assumptions used at the balance sheet date are as follows:

	31 March 2022
Actual rate of return	7.70%
Inflation/pension increase rate	3.20%
Salary increase rate	3.90%
Discount rate	2.70%

**Mortality**

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	19.6 years	22.4 years
Future Pensioners	21.0 years	24.5 years

**Sensitivity Analysis**

The estimation of defined benefit obligation is sensitive to the actuarial assumptions. The sensitivities regarding the principal assumptions used to measure the schemes liabilities are set out below:

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

	<b>Approximate % increase to Employer Liability</b>	<b>Approximate monetary Amount (£000)</b>
Rate for discounting fund liabilities (0.1% decrease)	2%	500
1 year increase in member life expectancy	4%	1,076
Rate of salary increase (0.1% increase)	0%	88
Rate of pension increase (0.1% increase)	2%	407

The total employer contributions expected to be made to the Local Government Pension Scheme for 2022/23 is £0.358m.

**Note 5 – External Audit Costs**

In 2021/22 the Board incurred the following fees relating to external audit in respect of external audit services undertaken in accordance with the Code of Audit Practice:

<b>2020/21 £000</b>		<b>2021/22 £000</b>
8	Fees payable for external audit services	8
<u>8</u>		<u>8</u>

**Note 6 – Property, Plant and Equipment**

<b>Movements in costs or values</b>	<b>Land &amp; Buildings £000</b>	<b>Plant &amp; Equipment £000</b>	<b>Total £000</b>
<b>1 April 2020</b>	<b>621</b>	<b>162</b>	<b>783</b>
Additions	0	19	19
<b>31 March 2021</b>	<b>621</b>	<b>181</b>	<b>802</b>
Additions	0	9	9
Revaluations	22	0	22
<b>31 March 2022</b>	<b>643</b>	<b>190</b>	<b>833</b>
 <b>Movements in depreciation and impairment</b>			
<b>1 April 2020</b>	<b>(14)</b>	<b>(133)</b>	<b>(147)</b>
Depreciation charge	(4)	(11)	(15)
<b>31 March 2021</b>	<b>(18)</b>	<b>(144)</b>	<b>(162)</b>
Depreciation charge	(4)	(10)	(14)
Reversal of depreciation on revaluation	17	0	17
<b>31 March 2022</b>	<b>(5)</b>	<b>(154)</b>	<b>(159)</b>
 <b>Net Book Value</b>			
At 31 March 2021	<b>603</b>	<b>37</b>	<b>640</b>
At 31 March 2022	<b>638</b>	<b>36</b>	<b>674</b>

**Revaluations**

The Board carries out a rolling programme that ensures that all property, plant and equipment required to be measured at fair value is re-valued at least every five years. Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**Note 7 – Debtors**

<b>2020/21</b>		<b>2021/22</b>
<b>£000</b>		<b>£000</b>
5	Other Entities and Individuals	14
892	Other Local Authorities	979
0	Central Government Bodies	1
<b>897</b>		<b>994</b>

**Note 8 – Creditors**

<b>2020/21</b>		<b>2021/22</b>
<b>£000</b>		<b>£000</b>
65	Central Government Bodies	3
140	Other Entities and Individuals	52
18	Other Local Authorities	10
<b>223</b>		<b>65</b>

**Note 9 – Balances & Reserves**

At their Board meeting on the 16 November 2012, the Board approved a Balance and Reserves Policy. The table below details the movement on revenue reserves this year.

<b>Restated Opening Balance at 1 April 2021</b>	<b>£000</b>
	<b>694</b>
Revenue Gains/(Losses) on the fund	208
<b>Closing Balance at 31 March 2022</b>	<b>902</b>
<b>Earmarked Balances:-</b>	
2022/23 Budget	(239)
Barclay Review Funding	(58)
<b>Total Earmarked Balance</b>	<b>(297)</b>
<b>Total General Reserves (incl. £0.100m prudential reserve)</b>	<b>605</b>

**Note 10 – 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.

<b>2020/21</b>		<b>2021/22</b>
<b>£000</b>		<b>£000</b>
12	Contributions from Authorities	21
10	Capital Funding from Current Revenue (CFCR)	2
38	Unapplied Capital contributions b/forward	41
<b>60</b>	<b>Total Capital Resources</b>	<b>64</b>
(5)	Upgrade PCs	0
(1)	Servers	0
(8)	Scanners & Laptops	(7)
(5)	Network Upgrade - Clydebank	(0)
0	NDR reform costs	(2)
<b>(19)</b>	<b>Total Capital expenditure incurred during the year</b>	<b>(9)</b>
<b>41</b>	<b>Unapplied Capital contributions c/forward</b>	<b>55</b>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**Note 11 – Unusable Reserves**

<b>2020/21</b>		<b>2021/22</b>
<b>£000</b>		<b>£000</b>
604	Capital Adjustment Account	600
35	Revaluation Reserve	74
(2,426)	Pension Reserve	507
(61)	Employee Statutory Mitigation Account	(28)
<b>(1,848)</b>	<b>Total Unusable Reserves</b>	<b>1,153</b>

**Capital Adjustment Account**

The capital adjustment account absorbs the timing difference 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/impairment losses and amortisations are charged to the comprehensive income and expenditure statement (with reconciling postings to the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Board as finance for the costs of acquisition, construction and enhancement.

The account contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the revaluation reserve was created to hold such gains. The movement in reserve statement provides detail of the source of all the transactions posted to the account.

**Revaluation Reserve**

The revaluation reserve contains the gains made by the Board arising from increases in the value of its property, plant and equipment (and intangible assets). The balance is reduced when assets with accumulated gains are:

- re-valued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation;  
or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the capital adjustment account.

**Pension Reserve**

The pension 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 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 pension funds or eventually pays any pension for which it is directly responsible.

**Employee Statutory Mitigation Account**

The employee statutory mitigation account absorbs the differences that would otherwise arise on the general fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the general fund balance is neutralised by transfers to or from this account.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**Capital Requisition Unapplied Account**

The capital requisition unapplied account represents capital contributions from the constituent authorities which have not yet been spent.

**Note 12 – Contingent Assets & Liabilities**

The Board has not identified any Contingent Assets and Liabilities.

**Note 13 – Contributions from Authorities**

Revenue 2020/21 £000		Revenue 2021/22 £000
1,297	Argyll & Bute Council	1,297
637	East Dunbartonshire Council	637
678	West Dunbartonshire Council	678
<b>2,612</b>	<b>Constituent Contributions</b>	<b>2,612</b>
143	Barclay Review Contributions	225
<b>2,755</b>	<b>Total Contributions</b>	<b>2,837</b>

**Note 14 – Government Grants**

Government Grant income of £0.125m was carried forward into financial year 2021/22, as an earmarked reserve held by West Dunbartonshire Council on behalf of the Board, to fund Scottish Parliament Election costs.

The Board credited £0.087m to the Comprehensive Income and Expenditure as shown in the table below.

2020/21 £000		2021/22 £000
117	Scottish Government	87
15	Cabinet Office	0
<b>132</b>		<b>87</b>

The remaining balance of £0.038m will be carried forward by West Dunbartonshire Council on behalf of the Board for use within 2022/23.

**Note 15 – Related Parties**

It is a requirement of the Code that material transactions with related parties (i.e organisations which the Board can influence or be influenced by) should be disclosed. The Board forms Group Accounts with three local authorities, namely West Dunbartonshire Council, East Dunbartonshire Council and Argyll & Bute Council. Sums paid by the local authorities to the Board are detailed in Note 13.

**Note 16 – Prior Year Re-Statement**

There has been a prior year adjustment to the 2020/21 financial statements in relation to the calculation of the 2020/21 holiday pay accrual. This has resulted in an increase of £0.017m to the reported Employee Costs figure shown within the 2020/21 Comprehensive (Income) & Expenditure statement which reduces the reported Total 2020/21 Comprehensive (Income) & Expenditure figure from (£0.861m) to (£0.844m).

The adjustment also affects the 2020/21 Balance Sheet with a consequential increase in the net liability of £0.017m, a reduction within the Usable Reserves of £0.007m and a reduction within the Unusable Reserves of £0.010m.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

**Report by Treasurer**

**Valuation Joint Board – 30 September 2022**

**Subject: Revenue & Capital Budgetary Control Report to 31 August 2022  
(Period 5)**

**1. Purpose**

1.1 The purpose of this report is to advise Members on the progress of the revenue budget and the capital programme for 2022/23.

**2. Background**

**2.1 Revenue**

At the meeting of the Joint Board on 4 March 2022, Members agreed the revenue estimates for 2022/23 and a total net budget of £3.086m, funded from constituent contributions of £2.847m (including £0.236m for costs associated with the implementation of actions from the Barclay Review) and reserves of £0.239m.

2.2 In addition to the agreed 2022/23 estimates, it was anticipated that the remaining balance of the Scottish Parliamentary Election Scottish Grant funding brought forward from 2020/21 would be carried forward for use within 2022/23.

**2.3 Capital**

At the meeting of the Joint Board on 4 March 2022, Members were asked to note the likely slippage of spend and earmarked resources to be carried forward from 2021/22 into 2022/23 for the flexi system, the Unix server upgrade and NDR reform. Members also agreed the proposed 2022/23 capital spend in relation to new bids totalling £11,600, financed via constituent contributions.

**3. Main Issues**

**3.1 Revenue**

Appendix 1 to this report highlights a favourable projected year end variance of £0.080m, whilst Appendix 2 provides information on the main variances +/-5%.

3.2 The anticipated probable outturn for employee costs has been calculated based on the current national pay offer, which is subject to acceptance and is summarised as follows:

Earnings	Proposed Pay Increase
< £20,500	5% increase or £2,000 (whichever is higher)*
£20,500 - £39,000	5% increase or £1,925 (whichever is higher)*
£39,000 - £60,000	5% increase*
> £60,000	£3,000**

\*based on a 36 hour working week \*\* based on a 37 hour working week

- 3.3** In line with section C2 of the Board’s Financial Regulations, the Treasurer has approved a virement at the request of the Assessor & ERO, which transfers £30,000 from the agreed estimate for salaries to the estimate for overtime. The overtime required will meet an operational need to ensure that the deadline for publication of draft 2023 valuations is met in November. Current projections indicate that this transfer of budget can be accommodated within the existing resource.
- 3.4** Although the report indicates a favourable variance, the projected variance should be viewed in the knowledge that there are a number of variable factors which could arise between now and 31 March 2023 and could affect the year end results, namely the local government pay settlement and the increasing cost of utilities.
- 3.5** Further to 2.2, above, the grant funding provided by Scottish Government was not exhausted by expenditure on the Scottish Parliamentary Election, with a carry forward of grant available to spend within 2022/23 of £0.038m. Expenditure plans have yet to be identified and for this reason, this additional income (and associated spend) is not included within the budgetary control report (appendix 1), however will be included within the next report once more information is available.
- 3.6** Capital  
Appendix 3 highlights a projected in-year variance of £0.046m which relates to project slippage, with details of these variances noted in Appendix 4.

#### **4. Conclusion and Recommendation**

**4.1** Members are asked to:

- i) Note the projected favourable revenue variance of £0.080m (3% of the total budget);
- ii) Note the virement as explained at 3.3 above; and
- iii) Note the updated 2022/23 Capital Budget and projected favourable variance of £0.046m (69% of the total budget).

.....  
**Laurence Slavin**  
**Treasurer**  
**Date: 13 September 2022**

---

**Person to Contact:** Janine Corr, Accountant  
West Dunbartonshire Council  
janine.corr@west-dunbarton.gov.uk

**Appendix 1**  
**Appendix 2**  
**Appendix 3**  
**Appendix 4**

Revenue BCR Period 5  
Revenue analysis for variances +/-5%  
Capital BCR Period 5  
Capital variance analysis



MONTH END DATE

31 August 2022

PERIOD

5

ORIGINAL ESTIMATE 2022/23	DESCRIPTION	SPEND TO DATE 2022/23	FORECAST SPEND 2022/23	FORECAST VARIANCE	VARIANCE %	STATUS
£ 2,501,504	EMPLOYEE COSTS	£ 870,514	£ 2,428,837	£ (72,667)	-3%	Favourable
112,999	PROPERTY COSTS	30,494	122,513	9,514	8%	Adverse
29,050	SUPPLIES & SERVICES	14,123	29,050	-	0%	Nil Variance
8,044	PAYMENT TO OTHER BODIES	-	8,044	-	0%	Nil Variance
398,950	ADMINISTRATION COSTS	101,099	392,491	(6,458)	-2%	Favourable
46,100	OTHER EXPENDITURE	10,625	35,806	(10,294)	-22%	Favourable
<b>3,096,648</b>	<b>GROSS EXPENDITURE</b>	<b>1,026,855</b>	<b>3,016,743</b>	<b>(79,905)</b>	<b>-3%</b>	<b>Favourable</b>
<b>11,000</b>	<b>GROSS INCOME</b>	<b>602</b>	<b>11,300</b>	<b>(300)</b>	<b>3%</b>	<b>Favourable</b>
<b>3,085,648</b>	<b>NET EXPENDITURE</b>	<b>1,026,253</b>	<b>3,005,443</b>	<b>(80,205)</b>	<b>-3%</b>	<b>Favourable</b>
238,921	BALANCES USED					
2,846,727	AUTHORITIES CONTRIBUTIONS					

<b>UNDERSPEND</b>	<b>(80,205)</b>	<b>-3%</b>
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## REVENUE BUDGETARY CONTROL 2022/2023

## REVENUE ANALYSIS FOR VARIANCES +/-5%

MONTH END DATE

31 August 2022

PERIOD

5

## Budget Details

Budget Area	Budget	Spend to Date	% Spend to Date of Total Budget	Forecast Spend	Forecast Variance	Status
	£	£	%	£	£	%
<b>PROPERTY COSTS</b>	112,999	30,494	27%	122,513	9,514	8% ↓
<b>Main Issues</b>	The main reason for this overspend is in relation to the increased cost of electricity and gas.					
<b>Mitigating Action</b>	Officers will continue to monitor the budget.					
<b>Anticipated Outcome</b>	It is likely this budget will overspend by the year end.					
<b>OTHER EXPENDITURE</b>	46,100	10,625	23%	35,806	(10,294)	-22% ↑
<b>Main Issues</b>	Legislative changes have mitigated much of the risk of expenditure on hearings in the current year that was provided for within the budgeted estimate.					
<b>Mitigating Action</b>	Officers will continue to monitor the budget.					
<b>Anticipated Outcome</b>	It is likely this budget will underspend by the year end.					

MONTH END DATE 31 August 2022

PERIOD 5

SLIPPAGE BROUGHT FORWARD FROM 2021/22	AGREED BUDGET 2022/23	TOTAL BUDGET 2022/23	DESCRIPTION	SPEND TO DATE 2022/23	FORECAST SPEND 2022/23	FORECAST VARIANCE 2022/23	FORECAST VARIANCE %	STATUS
£	£	£		£	£	£		
			<b><u>PRIOR YEAR PROJECTS</u></b>					
1,153	0	1,153	PLANNED UPGRADE OF SERVERS (C/FWD 20/21)	0	1,153	0	0%	Nil Variance
8,486	0	8,486	FLEXI SYSTEM (C/FWD 20/21)	0	8,486	0	0%	Nil Variance
0	0	0	LAPTOP REFRESH (21/22)	(38)	(38)	(38)	0%	Favourable
20,689	0	20,689	NDR REFORM COSTS (21/22)	0	0	(20,689)	-100%	Favourable
25,000	0	25,000	UNIX SERVER RENEWAL (21/22)	0	0	(25,000)	-100%	Favourable
			<b><u>22/23 PROJECTS</u></b>					
0	5,400	5,400	LAPTOP REFRESH (22/23)	5,236	5,236	(164)	-3%	Favourable
0	1,200	1,200	NEW MONITORS (22/23)	0	1,200	0	0%	Nil Variance
0	5,000	5,000	FIREWALLS AND ROUTERS (22/23)	0	5,000	0	0%	Nil Variance
<b>55,328</b>	<b>11,600</b>	<b>66,928</b>	<b>GROSS EXPENDITURE</b>	<b>5,198</b>	<b>21,036</b>	<b>(45,892)</b>	<b>-69%</b>	<b>Favourable</b>
(34,207)	0	(34,207)	UNAPPLIED CAPITAL RECEIPTS CARRIED FORWARD	0	(9,436)	(24,771)	72%	Favourable
(513)	0	(513)	CFCR	0	0	(513)	100%	Favourable
(20,608)	0	(20,608)	SCOTTISH GOVERNMENT GRANT	0	0	(20,608)	100%	Favourable
0	(11,600)	(11,600)	CONSTITUENT CONTRIBUTION	(3,253)	(11,600)	0	0%	Nil Variance
<b>(55,328)</b>	<b>(11,600)</b>	<b>(66,928)</b>	<b>GROSS INCOME</b>	<b>(3,253)</b>	<b>(21,036)</b>	<b>(45,892)</b>	<b>69%</b>	<b>Favourable</b>
-	-	-	PROJECTED FREE CAPITAL RECEIPTS CARRIED FORWARD	1,945	0	0	0%	Nil Variance

DUNBARTONSHIRE & ARGYLL & BUTE VALUATION JOINT BOARD  
 CAPITAL BUDGETARY CONTROL 2022/2023  
 VARIANCE ANALYSIS

APPENDIX 4

MONTH END DATE

31 August 2022

PERIOD

5

Budget Details						
Budget Area	Budget	Spend to Date	% Spend to Date of Total Budget	Forecast Spend	Forecast Variance	Status
	£	£	%	£	£	%
<b>NDR Reform Costs</b>	20,689	0	0%	0	(20,689)	-100% ↑
<b>Project Description</b>	Development / Purchase of Remote Survey System					
<b>Main Issues/Progress update</b>	Given NDR Reform and Revaluation priorities, there is insufficient in-house ICT resource to take this forward in the current year.					
<b>Unix Server Renewal</b>	25,000	0	0%	0	(25,000)	-100% ↑
<b>Project Description</b>	Replacement of the primary server for Valuation and Council Tax data.					
<b>Main Issues/Progress update</b>	Preferred approach is to now move away from UNIX to Windows server and this will require proof of concept works. There is insufficient in-house ICT resource to take this forward in the current year.					

## DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

### Report by Treasurer

Valuation Joint Board: 30 September 2022

---

#### **Subject: Update of the Valuation Joint Board Financial Regulations**

#### **1. Purpose of Report**

- 1.1** The purpose of this report is to seek Members' approval for the revised Financial Regulations.

#### **2. Background**

- 2.1** The Dumbarton and Argyll & Bute Valuation Joint Board (the Board) is required in terms of section 95 of The Local Government (Scotland) Act 1972, to make arrangements for the proper administration of its financial affairs taking the form known as the "Financial Regulations".

- 2.2** The Financial Regulations were last revised on 25 September 2019.

#### **3. Main Issues**

- 3.1** The revised Financial Regulations are appended to this report. They have been fully reviewed and updated and many of the updates relate to job title changes, together with updating to recognise wider uses of electronic processes etc.

- 3.2** The most significant of the proposed revisions are within section P of the report in relation to procurement processes. This has been simplified to cross refer to the specific procurement policies that the Board is required to comply with as set out in the Board's approved procurement policy (for procurement under £50,000) and West Dunbartonshire Council's Financial Regulations (for procurement over £50,000). This amendment does not reduce the requirements on the Board in relation to Procurement. It simply avoids excessive duplication across governance documents.

- 3.3** It is proposed that the revised Financial Regulations will take effect on 1 November 2022 to allow appropriate guidance to be updated, if necessary, following approval.

#### **4. Conclusion and Recommendation**

- 4.1** Members are asked to approve the revised Financial Regulations.

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**Laurence Slavin**  
**Treasurer**  
**Date: 13 September 2022**

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**Person to Contact:** Janine Corr, Accountant  
West Dunbartonshire Council

E-mail: [Janine.Corr@west-dunbarton.gov.uk](mailto:Janine.Corr@west-dunbarton.gov.uk)

**Appendice:** Revised Financial Regulations

**DUNBARTONSHIRE and ARGYLL and BUTE VALUATION JOINT BOARD****FINANCIAL REGULATIONS**

<b><u>INDEX</u></b>	<b><u>PAGE</u></b>
<b>A. FINANCIAL ADMINISTRATION</b>	<b>5</b>
1. Responsibility of the Board	
2. Responsibility of the Treasurer	
3. Treasurer as Adviser	
4. Assessor & ERO Responsible for Resources	
5. Assessor & ERO to Consult Treasurer	
6. Best Value	
<b>B. ESTIMATES</b>	<b>6-7</b>
1. Form of Estimates	
2. Preparation of Estimates	
3. Determination Process	
4. Estimates Timetable	
5. Long Term Capital Programme	
6. Authority to proceed with Capital Projects	
7. Updates to Capital Programmes	
<b>C. CONTROL OF EXPENDITURE</b>	<b>7-8</b>
1. Need to Budgetary Provision	
2. Virement	
3. Overspendings	
4. Report on Capital and Revenue Schemes	
5. Need for Board Consent to Expenditure	
6. Capital Funding	
7. Responsibility for Budgetary Control	
<b>D. CONTROL OF INCOME</b>	<b>8-9</b>
1. Determination and Alteration of Charges	
2. Accounting Arrangements	
3. Notification of Income to Treasurer	
4. Write-Offs	
5. Treatment of Monies Collected	
6. Forms	
7. Personal Cheques	
8. Transfers of Money	
9. Government Grants	

<b>E. BANKING, CONTROL OF CHEQUES, BORROWING AND INVESTMENTS</b>	<b>9</b>
1. Arrangement with Bankers	
2. Payments into Bank	
3. Cheque Control	
4. Aggregation of Fund Balances	
<b>F. STORES, INVENTORIES AND COSTING</b>	<b>9-10</b>
1. Costing Systems and Stores Control	
2. Custody of Stores and Stocktaking	
3. Write-Offs or Surpluses of Stores	
4. Disposal of Surplus Plant, etc.	
5. Inventories	
6. Stock Levels	
<b>G. OFFICIAL ORDERS AND PAYMENT OF ACCOUNTS</b>	<b>10-12</b>
1. Official Orders	
2. Exemption from Official Orders	
3. Central Purchasing and Standardisation	
4. Check on Goods and Services Received	
5. Certification by Assessor & ERO	
6. Authorised Signatures	
7. Duplicate Invoices, etc.	
8. Corporate Services Department (Finance) Checks	
9. Amendments to Invoices	
10. Electronic Procurement	
11. Employee Code of Conduct	
<b>H. ACCOUNTING</b>	<b>12-13</b>
1. Accounting Procedures and Records	
2. Internal Checks	
3. Year end Accounting Returns	
4. Year end Final Accounts	
<b>I. INTERNAL AUDIT AND VALUE FOR MONEY</b>	<b>13-14</b>
1. Continuous Internal Audit	
2. Authority of Audit	
3. Contract Audit	
4. Business Irregularities	

<b>J. CASH IMPRESTS</b>	<b>14-15</b>
1. Provision of Imprest	
2. Bank Accounts for Imprest Holders	
3. Exclusion of Income Collected	
4. Limit on Expenditure – Cash imprest	
5. Limit on Expenditure – Credit Cards and Purchase cards	
6. Statement of Account – Imprest	
7. Accounting for Purchase Card Expenditure	
8. Termination as Imprest Holder	
9. Insurance Cover	
<b>K. CLAIMS FOR EXPENSES AND ALLOWANCES</b>	<b>15-16</b>
1. Arrangement for Claims	
2. Submission of Claims	
3. Payment of Claims	
4. Certification of Claims	
<b>L. SALARIES, WAGES AND PENSIONS</b>	<b>16-17</b>
1. Arrangement for Payments	
2. Application of National Agreements	
3. Notification	
4. Appointments	
5. Form and Certification of Records	
<b>M. SECURITY</b>	<b>17</b>
1. Responsibility for Security	
2. Limits to Cash Holdings	
3. Safe Keys	
4. Computer Security	
5. Pre-printed/Pre-signed Cheques, etc.	
<b>N. INSURANCE</b>	<b>18</b>
1. Treasurer - Responsible for Insurance	
2. Notification of Risks	
3. Notification of Claims	
4. Fidelity Guarantee Insurance	
5. Review of Insurance Cover	
<b>O. CAPITAL AND REVENUE FUNDS AND RESERVES</b>	<b>18</b>
1. Policy for Administration	
2. Board Consideration	
<b>P. PROCUREMENT - CONTRACTS FOR SUPPLIES, WORKS AND SERVICES</b>	<b>18</b>
1. Arrangements for procurement	
<b>Q. COMPLIANCE OF MEMBERS AND OFFICERS</b>	<b>19</b>
1. Members Code	
2. Officers Code	
3. Other Regulations	
4. Scheme of Delegation	

<b>R. OBSERVANCE OF FINANCIAL REGULATIONS</b>	<b>19</b>
1. Responsibility of Assessor & ERO	
2. Breach of Regulations	
<b>S. REVIEW OF FINANCIAL REGULATIONS</b>	<b>19</b>
1. Review of Financial Regulations	
2. Variation and Revocation	

## **A. FINANCIAL ADMINISTRATION**

- |  |   |
|--|---|
| 1. Responsibility of the Board   | The Board is responsible for directing and monitoring the administration of its financial affairs.  |
| 2. Responsibility of the Treasurer   | The Treasurer shall be responsible, under the general direction of the Board, for the proper administration of the Board's financial affairs.   |
| 3. Treasurer as Adviser  | As the Board's financial adviser, the Treasurer shall report to the Board with respect to the level of resources proposed to be utilised in each financial year and shall keep the Board informed with respect to its finances and financial performance.           |
| 4. Assessor & Electoral Registration Officer (ERO) Responsible for Resources | The Assessor & ERO is responsible for the security, custody and control of all resources including plant, buildings, materials, cash and stores, etc. appertaining to the Board   |
| 5. Assessor & ERO to Consult Treasurer                                       | The Assessor & ERO, with respect to any matter within his purview which is liable to materially affect the finances of the Board, shall consult with the Treasurer before any provisional or other commitment is incurred or before reporting thereon to the Board. |

The question of materiality will be the subject of guidance from the Treasurer. Such guidance will form part of these regulations. Matters covered by approved budgets are excluded from this requirement.

### 6. Best Value

In securing best value, the Board shall maintain an appropriate balance between:

- The statutory duties of the Assessor and ERO
- The quality of its performance of its functions;
- The cost to the Board of that performance; and
- The cost to persons of any service provided by it for them on a wholly or partly rechargeable basis.

In maintaining that balance, the Board shall have regard to:

- Efficiency;
- Effectiveness;
- Economy; and
- The need to have due regard to the requirements of the Equality Duty.

The Board shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.

## **B. ESTIMATES**

1. Form of Estimates                      Subject to the direction of the Board, the detailed form of capital and revenue estimates shall be determined by the Treasurer in accordance with normal professional practice.
  
2. Preparation of Estimates              It shall be the duty of the Treasurer to:
  - Prepare a revised Long-term Finance Strategy for the Board each financial year as part of the Estimates process: and
  - Prepare annual estimates on revenue and capital accounts relating to all service areas and services of the Board.

For these purposes the Assessor & ERO shall furnish the Treasurer each year, at dates determined by the Treasurer, all necessary information regarding the requirements of the Board.
  
3. Determination Process                After preparation, the estimates shall be submitted to the Board for consideration within guidelines defined by the Board.

After consideration by the Board, the estimates (after adjustment if appropriate), shall be approved. The Board shall thereafter determine the amount to be requisitioned from each constituent Council.
  
4. Estimates Timetable                  The timetable for the process of Estimates shall be in accordance with that determined by the Board.
  
5. Long Term Capital Programme        A 3 year capital programme shall be maintained and refreshed annually during the Estimates process by the Assessor in conjunction with the Treasurer for submission to the Board for approval. Thereafter the Board shall consider and approve as appropriate.

The Board shall thereafter determine the amount to be requisitioned from each constituent Council.
  
6. Authority to Proceed with Capital Projects      The inclusion of a project in the capital programme does not, in itself, authorise expenditure and the provisions in Standing Orders as to the placement of contracts and Board approval shall apply.

- |                                  |   |
|----------------------------------|---|
| 7. Updates to Capital Programmes | Should any slippage or other unforeseen factor arise such as would materially alter assumptions underlying the programme or the likely spend under any heading, where approval is required prior to the next appropriate Board meeting, then the Assessor & ERO, after consultation with and agreement of, the Treasurer and the Board's Convenor, will amend the programme accordingly. Any such amendment will be reported to the next appropriate Board meeting as part of the usual Budgetary Control Reporting regime. |
|----------------------------------|---|

**C. CONTROL OF EXPENDITURE**

- |  |   |
|--|---|
| 1. Need for Budgetary Provision          | No expenditure shall be incurred unless included in the annual estimates or covered by a supplementary estimate approved by the Board after the submission of a report thereon. Where additional external grant funding is awarded to the Board, outwith the approved budget, it is the responsibility of the Assessor & ERO to incur expenditure up to the amount awarded and in accordance with any associated grant conditions and provide updates to the Board.   |
| 2. Virement                              | Transfer of approved estimates from one head of expenditure to another will be subject to the approval of the Treasurer and, if considered to affect materially the approved budget, the Board.   |
| 3. Overspendings                         | Where it appears that the amount of any head of estimate of approved expenditure may be significantly exceeded or the amount of any head of approved income may fall significantly short of that estimated, it shall be the duty of the Assessor & ERO, after consultation with the Treasurer, to inform the Board of the estimated amount of the deviation, the reasons for the deviation and the options for addressing it.   |
| 4. Report on Capital and Revenue Schemes | No capital work outwith the Capital Programme, (unless agreed by the Assessor & ERO as relatively minor and of an urgent nature), and no major revenue project (even though included in the annual estimates) shall be commenced unless it has been the subject of a report to the Board by the Assessor & ERO. Where expenditure on a capital or revenue scheme is significantly greater than the budget amount, it must be reported to the Board.   |
| 5. Need for Board Consent to Expenditure | Except for the procurement of 'print and mail' services where necessary (for example the annual electoral canvass), for which delegated authority is granted to the Assessor & ERO, no expenditure on the purchase of equipment or services of a value in excess of £50,000 for each proposal will be made without the prior consent of the Board even though provision has been made in the Capital Programme or Annual Revenue Estimates. For this purpose each proposal is defined as including separate but associated pieces of equipment or services. Expenditure up to |

this limit may be incurred by the Assessor & ERO if generally provided for in the Capital Programme or Revenue Estimates.

6. Capital Funding Subject to 4 and 5 above, no Capital expenditure will be incurred unless the Assessor & ERO has ensured it is contained within the Capital Programme, and is covered by the appropriate resources. Where additional external grant funding is awarded to the Board, outwith the approved budget, it is the responsibility of the Assessor & ERO to incur expenditure up to the amount awarded and in accordance with any associated grant conditions and provide updates to the Board.

7. Responsibility for Budgetary Control (i) Treasurer:  
It shall be the responsibility of the Treasurer to ensure that the Assessor & ERO at regular intervals (normally monthly), is furnished with a comparative statement showing the estimated revenue income and expenditure of the Board and the payments and receipts actually made to that date.

(ii) Assessor & ERO:  
It shall be the responsibility of the Assessor & ERO to ensure that the items in the annual estimates are not overspent and that the expenditure of the Board conforms to the requirements of the financial regulations. The Treasurer and Assessor & ERO shall submit to the Board, on a regular basis, a statement comparing expenditure and income with budget.

#### **D. CONTROL OF INCOME**

1. Determination and Alteration of Charges The rate of charge for goods or services supplied by the Board shall be determined by the Board and shall not be altered without the approval of the Board, unless an alteration is required arising from a change in legislation (e.g. a fiscal taxation change, such as VAT) or covered by the scheme of delegated power/responsibility to the Assessor & ERO.

2. Accounting Arrangements It shall be the duty of the Treasurer to make adequate financial and accounting arrangements to ensure the proper recording of all monies due to the Board, and the proper collection, custody, control and disposal of all cash of the Board.

3. Notification of Income to Treasurer Particulars of all charges to be made for work done, services rendered or goods supplied by the Board, and of all other amounts due to the Board, shall be promptly notified to the Treasurer in a form that he has approved and all accounts for income to the Board shall be rendered by or under arrangements approved by the Treasurer.

4. Write-Offs Individual sums due to the Board and exceeding £5,000 (excluding VAT) shall not be written-off except after consideration by the Board. Sums up to £5,000 which are due,

may be written off on the authority of the Treasurer, in consultation with the Assessor & ERO, if he is satisfied that they cannot reasonably be recovered.

5. Treatment of Monies Collected All staff handling receipts of cash should be aware of the Board's Counter Fraud and Corruption Strategy. All funds received on behalf of the Board in any service area and in all forms shall be deposited with the Board's bankers in accordance with arrangements made with the Treasurer. No deduction may be made from such funds other than where the Treasurer has specifically authorised.
6. Forms All official forms for the disbursement and collection of monies shall be in a form approved by the Treasurer.
7. Personal Cheques Personal cheques shall not be cashed out of the money held on behalf of the Board.
8. Transfers of Money All transfers of official money from one member of staff to another will be evidenced in the records of the Board by the signature of the receiving officers.
9. Government Grants The Treasurer will be advised of all relevant information necessary to allow him to make application for all Government grants due to the Board.

**E. BANKING, CONTROL OF CHEQUES, BORROWING, INVESTMENT AND TRUST FUNDS**

1. Arrangement with Bankers All banking arrangements shall be made by the Treasurer through West Dunbartonshire Council as the Lead Authority.
2. Payments into Bank All monies received shall be paid into the Council's bank account daily or at such other intervals as may be arranged by the Treasurer.
3. Cheque Control If required, all cheques shall be ordered and controlled on behalf of the Board by the Treasurer, through the Council, and shall bear the facsimile signature of the Treasurer, or be signed by him or other officer authorised by him to do so.
4. Aggregation of Fund Balance All money (other than miscellaneous balances such as imprest accounts and deposit receipts) in the hands of the Board shall be aggregated for the purposes of treasury management and shall be under the control of the Treasurer.

**F. STORES, INVENTORIES AND COSTINGS**

1. Costing Systems and Stores Arrangements made by the Assessor & ERO for costing systems and stock and stores control shall be subject to the

approval of the Treasurer and shall, at least annually, be subject to review by the Assessor & ERO.

2. Custody of Stores and Stocktaking  
The care and custody of stores and equipment shall be the responsibility of the Assessor & ERO who will ensure that stocktaking is carried out at regular intervals as agreed with the Treasurer.
3. Write-Offs or Surpluses of Stores  
No entries will be made, in the records, to write-off stores deficiencies or to bring surpluses into charge unless authorised by the Treasurer who may refer such adjustments to the Board. The Treasurer may issue guidance from time to time on this subject and such guidance will form part of these regulations.
4. Disposal of Surplus Plant, Etc.  
Subject to prior consultation with the Treasurer, all surplus plant, equipment, furnishings, materials, etc., of a significant value to be disposed of by the Assessor & ERO, shall be advertised for sale by sealed offer unless in special circumstances approved by the Board.
5. Inventories  
Inventories shall be maintained by the Assessor & ERO and therein shall be recorded an adequate description of furniture, fittings and equipment, plant and machinery, save that the extent to which the property of the Board shall be so recorded and the form in which the inventories shall be kept is to be determined by the Treasurer.
6. Stock Levels  
Stocks and stores held shall not be in excess of normal requirements except in special circumstances with the approval of the Board.

## **G. OFFICIAL ORDERS AND PAYMENT OF ACCOUNTS**

1. Official Orders  
Subject to G2. below, all Supplies, Works and Services supplied or executed for the Board shall be ordered or confirmed by means of an official requisition or order. The form of official requisitions and orders must be through a system as approved by the Treasurer. Such requisitions or orders will be authorised only by officers authorised by the Assessor & ERO. Such authorised persons shall be reviewed on a regular basis by the Treasurer.
2. Exemption from Official Orders  
Official Orders or requisitions will not be required for supplies of public utility services, periodical payments, petty cash purchases, or purchases or point of sale Corporate Purchase Card and Credit Card transactions.

The requirements of Section P of these Financial Regulations still apply.

3. Central Purchasing and Standardisation	Each order or requisition shall conform to any directions of the Board with respect to central purchasing and the standardisation of supplies and materials.
4. Check on Goods and Services	It shall be the duty of the Assessor & ERO to ensure that all goods and services received are as ordered in respect of value, quantity and quality.
5. Certification by Assessor & ERO	<p>The Assessor &amp; ERO shall arrange to certify that all Invoices comply with the following:-</p> <ul style="list-style-type: none"> <li>• The work, goods or services to which the account relates have been received, carried out, examined and approved and are in accordance with the order.</li> <li>• The prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct.</li> <li>• The expenditure has been properly incurred, is within the relevant estimate provision and the provision of standing orders as to limits of expenditure authority have been observed.</li> <li>• Appropriate entries have been made in inventories, stores records or stock books as required; and</li> <li>• The appropriate expenditure code numbers are entered on the document for payment.</li> </ul> <p>Having so certified the invoice the Assessor &amp; ERO or other authorised officer agreed by the Treasurer shall pass it to the Treasurer for payment.</p>
6. Authorised Signatories	The Treasurer will compile a list of authorised signatories for this purpose and specimen signatures will be required from the persons concerned. The Assessor & ERO shall ensure that an appropriate separation of duties exists between officers authorising requisitions and orders and certifying payment of invoices. Certifying payment of invoices will be undertaken by either: an authorised officer via a manual or electronic process; or via electronic invoice matching to the purchase order within a system as approved by the Treasurer.
7. Duplicate Invoices, Etc.	Payment will not be made on duplicate invoices unless the Assessor & ERO certifies in writing that the amounts have not been previously paid.
8. Corporate Services (Finance) Checks	The Treasurer shall supplement the Board checks on payment of accounts as he considers necessary.
9. Amendments to Invoices	Any amendments made to invoices shall be made via the electronic comments box applicable to the online processing of payment requests, stating briefly the reasons where this is not self-evident.

10. Electronic Procurement      The above requirements apply equally to orders and payments made through e-procurement system (such as 'We-buy') and through purchasing cards. The Assessor & ERO shall ensure that all staff using electronic systems operate in accordance with the relevant authorisation levels and thresholds embedded within the systems.

10. Employee Code of Conduct      All employees must comply with the Board's Code of Conduct and all relevant policies, processes and procedures when purchasing Supplies, Works and Services. These will normally be aligned to the policies, processes and procedures produced by the WDC Corporate Procurement Manager.

## **H.      ACCOUNTING**

1. Accounting Procedures and Records      All accounting procedures and records of the Board and its officers shall be determined by the Treasurer and all accounts and accounting records of the Board shall be compiled by the Treasurer or under his direction.

2. Internal Checks      The following principles shall be observed in the allocation of duties:-

- The provision of information regarding sums due to or from the Board and the process of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting, disbursing, or authorising payment of such sums.
- Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

3. Year End Accounting Returns      The Assessor & ERO shall, annually at dates to be specified by the Treasurer, submit to the Treasurer:

- Inventories of stocks, stores and plant in hand as at the year end.
- Inventories of equipment and furnishings in hand as at the appropriate date.
- Details of sums due to or by the Board and remaining unpaid at the year end.
- Details of employee annual leave and flexi leave balances as at the 31 March.

- Copies of all leases agreements in operation.
- Any other information necessary to close the Board's accounts at the year end.

4. Year End Final Accounts      The Assessor & ERO shall take all such steps as reasonable to comply with deadlines defined by the Treasurer for the completion of the year end Final Accounts.

## I. INTERNAL AUDIT

### 1. Continuous Internal Audit

The Internal Audit Service is a statutory assurance function that provides an independent and objective opinion to the organisation on the control environment by evaluating its effectiveness in achieving the organisation's objectives. The control environment comprises the systems of governance, risk management and internal control. The remit of the service is to objectively examine, evaluate and report on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources throughout the Board's activities. A continuous internal audit, under the independent control and direction of the Treasurer, as described in the West Dunbartonshire Council's Internal Audit Charter and in accordance with the Public Sector Internal Audit Standards (PSIAS), shall be undertaken.

### 2. Authority of Audit

The Treasurer or his authorised representatives shall have authority to:

- Enter at all reasonable times any Board premises or land;
- Have access to all records, documents and correspondence relating to financial and other transactions of the Board;
- Require and receive such explanations as are necessary concerning any matter under examination; and
- Require any employee of the Board to produce cash, stores, or any other Board property under his/her control.

All requests for information, files, etc. made by Internal Audit to officers or Members shall be supplied with within the timescales provided by Internal Audit.

### 3. Contract Audit

The Treasurer, or his authorised representatives, subject to the consent of the Assessor & ERO, shall have authority to engage the services of professional persons from appropriate

West Dunbartonshire Council departments to assist in the examination of contracts under review or investigation by Internal Audit, and such assistance shall be given promptly.

#### 4. Business Irregularities

No investigatory work is to be undertaken by any officer of the Board without express approval of:

- The Treasurer for allegations relating to financial matters (or in his absence the Council's Shared Service Manager – Audit & Fraud);
- The Assessor & ERO for all other allegations

The Assessor & ERO will make arrangements to ensure that, where it is suspected or identified that business irregularities have or may have occurred, the matter will be reported immediately to him or the senior officer nominated by him in order that an investigation can be considered. Examples of such irregularities are:

- Misappropriation or embezzlement of monies, materials, etc. placed in an employee's charge;
- Intentional distortion of records for any fraudulent purposes; and
- Misuse of the Board's ICT infrastructure, including information.

Anonymous allegations and all categories identified within the Board's Policy in relation to the Board's Public Interest Disclosure Policy.

Such irregularities shall be dealt with in accordance with the Board's Business Irregularity Procedures.

### **J. CASH IMPRESTS, CREDIT CARDS AND PURCHASE CARDS**

#### 1. Provision of Imprest

The Treasurer shall provide such imprest accounts, cash floats, credit cards and purchase cards as he considers appropriate for the Assessor & ERO as may be needed for the purposes of defraying petty cash and other expenses.

#### 2. Bank Accounts for Imprest Holders

The Treasurer shall open bank accounts (via West Dunbartonshire Council's Bankers) where it is considered appropriate and in no circumstances shall the imprest holder overdraw the account. It shall be a standing instruction to the Council's bankers that an imprest holder's account shall not be overdrawn. Bank accounts will not be opened or amended by any officer other than the Treasurer or his nominated deputed.

#### 3. Exclusion of Income Collected

No income received on behalf of the Board may be paid into an imprest account but must be banked or paid to the Board

as provided in these regulations. Any bank interest earned on imprest accounts will be remitted separately and immediately to the Treasurer and will not be left in the imprest bank balance.

4. Limit on Expenditure – cash imprest  
Payments shall be limited to minor items of expenditure and to such other items as the Treasurer may approve.  
Payments shall be supported by a receipt or invoice to the extent that the Treasurer may require.
5. Limit on Expenditure – Credit Cards and Purchase cards  
Individual officers shall have limits placed on the use of credit cards and purchase cards in terms of purpose and value of expenditure, by transaction and in total per month.
6. Statement of Account - imprest  
An officer responsible for an imprest account shall, if so requested, give to the Treasurer a certificate as to the state of their imprest account.
7. Accounting for Purchase Card Expenditure  
Relevant officers are required to review and approve all expenditure on defined online purchase card system, in line with the published timetable. Payments shall be supported by an invoice (with appropriate VAT information as required) to the extent that the Treasurer may require.
8. Termination as Imprest Holder  
Imprest: on leaving the employment of the Board or otherwise ceasing to be entitled to hold an imprest advance, an officer shall make account to the Treasurer for the amount advanced to him/her.  
  
Credit cards and Purchase Cards: on leaving the employment of the Board or otherwise ceasing to be entitled to hold a credit card or purchase card relevant officers shall surrender their credit card or purchase card to their line manager, who will advise the Treasurer of the change.
9. Insurance Cover  
The Treasurer will ensure that insurance cover is obtained for all cash imprests and the officers responsible for these.

## **K. CLAIMS FOR EXPENSES AND ALLOWANCES**

1. Arrangements for Claims  
The Strategic Lead - People and Transformation (of West Dunbartonshire Council, as lead authority), in consultation with the Treasurer shall be responsible for making arrangements for the administration and regulation of claims for expenses and allowances to employees of the Board.
2. Submission of Claims  
All claims for payment of travelling allowances, subsistence allowances, car allowances and incidental expenses shall be submitted, duly certified, in a form approved by the Strategic Lead - People and Transformation (of West

Dunbartonshire Council) to her at regular intervals as agreed. Such payments will not be made out of imprest accounts without the express authority of the Treasurer. All such expenses shall as far as practicable be paid through approved payroll processes.

3. Payment of Claims                      Payments of claims for expenses and allowances will be made by the Treasurer upon receipt of the required information duly completed. All claims for a financial year are to be submitted within one month of 31st March.
4. Certification of Claims                The certification by or on behalf of the Assessor & ERO shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenditure properly and necessarily incurred and that the allowances are properly payable by the Board.

## **L.     SALARIES, WAGES AND PENSIONS**

1. Arrangements for Payments                      The payment of all salaries, wages, pensions, compensation and other emoluments to all employees or former employees of the Board shall be made by the Strategic Lead – People and Transformation of West Dunbartonshire Council or under arrangements approved and controlled by her.
2. Application of National Agreements                The Strategic Lead - People and Transformation of West Dunbartonshire Council shall be responsible for the application of all appropriate wages and salary agreements to all employees of the Board, and where applicable past employees.
3. Notification    The Strategic Lead - People and Transformation of West Dunbartonshire Council shall be notified as soon as possible, and in an agreed form, of all matters affecting the payment of such emoluments and in particular:-
  - Appointments, resignations, dismissals, suspensions, secondments and transfers.
  - Absences from duty for sickness or other reasons, apart from approved leave.
  - Changes in remuneration, pay awards and agreements of general application.
  - Information necessary to maintain records of service for superannuation, income tax and national insurance.

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|--------------------------------------|--|
| 4. Appointments                      | Appointments of all employees shall be made in accordance with the regulations of the Board and the approved budget, grades and rates of pay.  |
| 5. Form and Certification of Records | Time records or other pay documents shall be in a form prescribed or approved by the Strategic Lead - People and Transformation of West Dunbartonshire Council and shall be certified by or on behalf of the Assessor & ERO. The names of officers authorised to sign such records shall be sent to the Strategic Lead - People and Transformation of West Dunbartonshire Council by the Assessor & ERO together with specimen signatures. |

**M. SECURITY**

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|--|---|
| 1. Responsibility for Security         | The Assessor & ERO is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash etc., under his/her control. He/she shall consult the Treasurer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed. Regular review of such security arrangements shall be carried out by the Assessor & ERO. |
| 2. Limits to Cash Holdings             | Maximum limits for cash holdings shall be agreed with the Treasurer and shall not be exceeded without his express permission.   |
| 3. Safe Keys                           | Keys to safes and similar receptacles are to be securely held by those responsible for them at all times. The loss of any such keys must be reported immediately to the Treasurer. A register of all such keyholders will be kept by the Board.   |
| 4. Computer Security                   | The Assessor & ERO is responsible for maintaining proper security and privacy as regards information held in the computer installations or for their use. The AERO is responsible for all information held by The Board or under his statutory power.   |
| 5. Pre-printed/Pre-signed Cheques etc. | The Treasurer shall be responsible for ensuring that secure arrangements exist for pre-printed/pre-signed cheques, stock certificates, etc.   |

## **N. INSURANCE**

1. Treasurer - Responsible for Insurance      Subject to the general supervision of the Board, the Treasurer, in consultation with the Assessor & ERO, will effect and maintain adequate insurance cover for all aspects of the Board's activities. He will also negotiate insurance claims, in consultation with the Assessor & ERO where necessary.
2. Notification of Risks      The Assessor & ERO will give prompt notification to the Treasurer of all new and increased risks, properties, or assets or of any deletions affecting the Board.
3. Notification of Claims      The Assessor & ERO will immediately notify the Treasurer in writing of any loss, liability or damage or any event likely to lead to a claim.
4. Fidelity Guarantee Insurance      All appropriate employees of the Board will be covered by fidelity guarantee insurance.
5. Review of Insurance Cover      The Treasurer will periodically review all insurances in consultation with the Assessor & ERO.

## **O. CAPITAL AND REVENUE FUNDS AND RESERVES**

1. Policy for Administration      The Board shall determine the Policy on the administration of these funds – including all reserves held.
2. Board Consideration      The Board, at the consideration of the budget, shall take into account the allocation of resources and the Policy on such funds

## **P. PROCUREMENT - CONTRACTS FOR SUPPLIES, WORKS AND SERVICES**

1. Arrangements for Procurement      The Assessor & ERO shall be responsible for all contracts below £50,000 and will conduct such procurement in accordance with the Board's approved procurement policy.  
  
Arrangements for expenditure over £50,000 must adhere to the procurement requirements as prescribed within West Dunbartonshire Council's Financial Regulations. All references to the Chief Officer of the procuring service in the WDC Financial Regulations shall be deemed to refer to the Assessor & ERO in all procurements undertaken for the Valuation Joint Board.

## **Q. COMPLIANCE OF MEMBERS AND OFFICERS**

1. Members Code All Members shall observe and comply with the Councillors' Code of Conduct, issues by Scottish Ministers in terms of the Ethical Standards in Public Life etc. (Scotland) Act 2000 and any further guidance made hereunder.
2. Officers Code All officers shall observe and comply with the Board's Code of Conduct for Officials.
3. Other Regulations All members and officers will comply with the Board's Standing Orders in conjunction with these financial regulations.
4. Scheme of Delegation Officers shall only exercise such functions and powers as are delegated to them by the Board.

## **R. OBSERVANCE OF FINANCIAL REGULATIONS**

1. Responsibility of Assessor & ERO It shall be the duty of the Assessor & ERO to ensure that these Regulations are made known to the appropriate persons within the Board and to ensure that they are adhered to.
2. Breach of Regulations Any breach or non-compliance with these Regulations must, on discovery, be reported immediately to the Treasurer who will discuss the matter with the Assessor & ERO in order to determine the proper action to be taken through consideration of the following:
  - Code of Conduct for Employees and associated Guidance on Offers of Gifts, Hospitality and Declaring Interests;
  - Counter Fraud and Corruption Strategy; and
  - Business Irregularity procedures.

## **S. REVIEW OF FINANCIAL REGULATIONS**

1. Review of Financial Regulations The Treasurer shall review the Financial Regulations as circumstances demand and submit proposals for alterations to the Board for approval.
2. Variation and Revocation These Regulations may be varied or revoked by the Board in consultation with the Treasurer.



**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 30 September 2022

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**Subject: Non-Domestic Rating and Council Tax Valuation Update****1.0 Purpose**

The purpose of the report is to advise Members of:-

- 1.1 The preparations being made for the 2023 general Revaluation of all non-domestic property.
- 1.2 On-going activities to implement the Non-Domestic Rating (Scotland) Act 2020 and the recommendations of the 'Barclay' Review.
- 1.3 Progress in relation to maintenance of the Non-Domestic Rating (NDR) valuation roll.
- 1.4 Progress in relation to disposal of 2017 Revaluation and 'running roll' appeals.
- 1.5 Progress in relation to the Assessor's Council Tax valuation function.

**2.0 Background**

- 2.1 The Assessor is required to carry out a general Revaluation of all Non-Domestic properties. Historically this was generally carried out every 5 years but, from 1 April 2023, Revaluations will take place every 3 years. The last general Non-Domestic Revaluation took effect from 1st April 2017 and the scheduled 2022 Revaluation was delayed until April 2023, with a valuation date of 1 April 2022.
- 2.2 The Non-Domestic Rating (Scotland) Act was passed in March 2020 and The Non-Domestic Rates (Scotland) Act 2020 (Commencement No.2 and Transitional Provisions) Regulations 2020, specified a range of dates, from November 2020 to April 2023, on which various sections of the Act came/will come into force. Grant funding of £236,000 was received, or brought forward, for the 2022/23 financial year to assist with the implementation of the reforms.
- 2.3 The existing powers and duties of the independent local Valuation Appeal Panels/Committees will pass to the First Tier Tribunal (FTT) of a newly formed Local Taxation Chamber of the Scottish Courts and Tribunals Service (SCTS) on 1 January 2023.
- 2.4 The Assessor is required to maintain the Valuation Roll for his area by amending it to reflect a number of circumstances including physical changes to properties. Any such change to the Valuation Roll may be appealed by relevant parties.

- 2.5 In response to the Covid-19 pandemic, 2,415 appeals were received in March 2020 and 2,165 in March 2021. The statutory date for disposal of these appeals was amended by Statutory Instrument in June 2021 to 31 December 2022.
- 2.6 Complex appeals can proceed to the Lands Tribunal rather than the local Valuation Appeal Committee and in these cases, no disposal date applies. A number of appeals from the 2005, 2010 and 2017 Valuation Rolls remain outstanding before the Lands Tribunal.
- 2.7 The Assessor is required to maintain the Council Tax Valuation List for his area by amending it to reflect new, altered and demolished properties. Additionally he must dispose of any proposals which are made against any entry in the Council Tax Lists.

### **3.0 Current Position**

#### Non-Domestic Rating Valuation

#### 3.1 2023 Revaluation

- 3.1.1 Preparations for the 2023 Revaluation continue apace. A general ingather of rental and other information has been carried out and extensive analyses of such information at local and national levels has been ongoing for some months.
- 3.1.2 ICT systems have been developed or improved to support the valuation of a wide range of subject types and to automate elements of the administration of the Revaluation. Draft Values have been completed across a number of subject categories including the 'bulk categories' of shops, offices and industrial subjects.
- 3.1.3 Progress towards completion of the Draft Revaluation Roll by 30 November 2022 has, however, not progressed as had been planned. Progress, at time of writing, is provided below.

Total number of subjects in Valuation Roll	15,325
No of draft valuations completed for R2023	3,524
No. of draft valuations to be completed	11,801
%age completed	23%

- 3.1.4 To address the outstanding Revaluation workload, overtime for valuation staff has commenced using funds transferred from a projected underspend in salary costs (see Budgetary Control Report).
- 3.2 Non-Domestic Rating Reform
  - 3.2.1 The facility to display rented property lists at the assessors' portal to support the draft Revaluation Roll has been developed and tested internally and Valuers continue to populate the relevant fields as progress is made with the Revaluation.

- 3.2.2 The identification of certain public parks, parts of parks and buildings within parks which will enter into the Valuation Roll with effect from 1 April 2023 has been carried out and survey/inspection of these has commenced. These will be valued in accordance with the relevant valuation method and entered into the draft Revaluation Roll in November.
- 3.2.3 Standardised Draft Revaluation Notices have been agreed for use across Scotland and work is ongoing to do likewise for the Final Revaluation Notices which will be issue in March 2023.
- 3.2.4 The transfer of VAC powers to the new Local Taxation Chamber and the introduction of a new Proposals and Appeals System are both proceeding as reported to the Joint Board in June. Whilst the Statutory Instruments required for these changes are unlikely to be laid in Parliament until October, progress has been made in specifying the processes and systems that will be required and discussions are ongoing with the Scottish Courts and Tribunals Service (SCTS) regarding the transfer of data for appeals which were submitted to assessors and will need 'ported' to SCTS.
- 3.3 Maintenance of the Valuation Roll ('Running Roll') including appeals
- 3.3.1 Since April, 280 changes (71 additions, 139 Deletions and 70 material changes) have been made to the Valuation Roll.
- 3.3.2 4,826 'running roll' appeals from the 2017 revaluation cycle were outstanding at the end of 2021/22. Between 1 April and 31 August, 26 further appeals have been received and 54 have been disposed of (24 with adjusted values and 30 withdrawn).
- 3.3.3 The vast majority of the outstanding appeals relate to the effects of the coronavirus outbreak. The Non-Domestic Rates (Coronavirus) (Scotland) Act 2022, which received Royal Assent on 28 July 2022, aims to substantially reduce the incentive to proceed with appeals. Further, any appeal lodged after 1 January 2020 will now have a disposal deadline date of 31 December 2023 rather than December 2022 as previously reported.
- 3.3.4 Since the last meeting of the Joint Board, good progress has been made with the disposal of 57 appeals for Sites of ATMs which had been referred to the Lands Tribunal. The number of appeals currently before the Lands Tribunal is as follows:-

<b>Revaluation cycle</b>	<b>Appeals o/s at June 2022</b>	<b>Appeals o/s at September 2022</b>
2005	5	5
2010	18	18
2017	120	63

The majority of outstanding appeals relate to electricity generator appeals which are stayed pending the outcome of a Valuation Appeal Committee/Lands Valuation Appeal Court case.

## Council Tax Valuation

### 3.4 Maintenance of the Council Tax Valuation Lists

Since April, 602 properties have been added to the Council Tax List and 93 have been deleted bringing the total number of dwellings in the Joint Board area to 147,534.

### 3.5 Council Tax Proposals and Appeals

At 1 April 2022, 330 Council Tax Proposals and Appeals were outstanding. Since then 67 new proposals have been received and 53 disposed of.

## **4.0 Next Steps**

### 4.1 Non-Domestic Rating Valuation

#### 4.1.1 2023 Revaluation

Completing the Revaluation to allow publication of a draft Valuation Roll in November 2022 will be the single biggest priority for valuation staff in the coming months. A Draft Revaluation Roll will be published by 30 November 2022 and draft valuation notices will be issued to all Proprietors, Tenants and Occupiers at that time. Work on the Revaluation will continue into 2023 with Final Valuation Notices being issued on 15 March 2023 and the new Valuation Roll coming into effect on 1 April 2023.

#### 4.1.2 Transfer of VAC Powers and New Proposals and Appeals System

In parallel with emerging SCTS plans for the administration of appeals after 1 January 2023, we will continue to plan for, and implement, processes and ICT systems to accommodate the changes. Staff training will also be delivered.

### 4.2 Maintenance of the Valuation Roll and Council Tax List

Resources will be applied to the maintenance of the Valuation Roll and the Council Tax List, including progress with existing proposals and appeals, as circumstances and progress with the Revaluation will allow.

## **5.0 Recommendations**

### 5.1 Members are asked to note:-

(a) Ongoing preparations for the 2023 Revaluation,

(b) Progress and planning which is ongoing to effect the Non-Domestic Rating (Scotland) Act and the recommendations of the 'Barclay' Review including the transfer of the powers of the local Valuation Appeal Committees to the First Tier Tribunal of the Local Taxation Chamber of the Scottish Courts and Tribunals Service,

(c) Progress in relation to the general maintenance of the Valuation Roll and the disposal of both 'running roll' appeals and appeals that are before the Lands Tribunal, and

(d) Progress in relation to the general maintenance of the Council Tax List, including the disposal of Council Tax proposals and appeals.

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Person to contact:

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**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 30 September 2022

**Subject: Electoral Registration Progress**

**1.0 Purpose**

To provide the members of the Joint Board with an update on the current position in relation to Electoral Registration.

**2.0 Background**

The report provided to the Joint Board at the last meeting on 24 June 2022 referred to staff remote working, Electoral Registration Processes, Signature Refresh for Absent Voters, Local Government Elections, National Park Elections, Preparations for the 2022 Canvass and the Election Bill/Act.

**3.0 Current Position - General**

Staff continue to work to home/office rotas dependant on tasks to be completed and staff availability.

Monthly updates to the Register have resulted in a total of 12,104 additions and 11,435 deletions for the period 5 January – 1 September 2022.

**4.0 2022 Canvass**

4.1 National and Local Data Matching of Registers produced the following split of households into Route 1 (expected ‘no change’ households) and Route 2 (expected change households) canvass workflows. The table also shows how many Route 1 properties were sent email encouragements, to confirm their households’ status, rather than mailed out paper communications. All communications were issued between 4 and 6 July 2022.

	<b>Paper</b>	<b>Email</b>	<b>Total</b>
Route 1	46,917	57,129	104,046
Route 2	38,611	Nil	38,611
<b>Total Households</b>			<b>142,657</b>

4.2 Reminder Canvass Forms for the route 2 properties plus paper communications for those Route 1 households that did not respond to encouragement emails, were issued on Monday 8 August 2022. These figures are shown below.

	<b>Forms Issued</b>
Route 1	36,578
Route 2	26,149
	<b>62,727</b>

- 4.3 By sending encouragement emails, 20,551 fewer paper communications needed to be issued than under previous processes, saving approximately £8,700.
- 4.4 A full evaluation of new processes used will be conducted after publication.
- 4.5 Canvassers will visit Route 2 properties where there has not been a response between Monday 12 September and Friday 21 October 2022. The number of properties to be visited across the 3 council areas is 21,132, split as follows:-

<b>Local Authority</b>	<b>Households</b>
Argyll & Bute	6,807
West Dunbartonshire	8,847
East Dunbartonshire	5,478

## **5.0 Upcoming Elections**

- 5.1 A by-election will take place in Ward 2 (Kintyre and The Islands) of Argyll & Bute Council, on Thursday 29 September 2022. Data has been supplied to Argyll & Bute Council and to those candidates who have made requests for Registers and Absent Vote Lists. Staff presence will be maintained in our Campbeltown office between 7am and 10pm on polling day.
- 5.2 Community Council Elections will take place in the West Dunbartonshire Council area on Thursday 27 October 2022. Update to the Register being used is 2 August 2022 which has been supplied. The ballot will be all postal.
- 5.3 Community Council Elections will take place in the Argyll & Bute Council area on Thursday 6 October 2022. Update to the Register being used is 2 August 2022 which has been supplied. The ballot will be all postal.
- 5.4 Community Council Elections will take place in the East Dunbartonshire Council area on Thursday 27 October 2022. Update to the Register being used is 2 August 2022 which has been supplied. Polling to take place between the hours of 6pm and 10pm.

## **6.0 Elections Act 2022**

- 6.1 The UK Government has announced a delay in implementation of Voter Authority Certificates (previously referred to as 'Voter ID cards') from December 2022 to January 2023 (date to be confirmed).
- 6.2 It has been confirmed that Voter Authority Certificates will be issued via a central agency, except in the period immediately prior to relevant elections when EROs will need to issue these directly. Any temporary documents issued by the ERO will be valid for the specific election only.
- 6.3 The deadline for applications to obtain a Voter Authority Certificate during elections will be 6 working days before the poll, with emergency proxy procedures being available to anyone who loses their ID thereafter.

## **7.0 National Park Elections 7 July 2022**

- 7.1 The 1 July update register data for the Loch Lomond and the Trossachs National Park area was sent to the Returning Officer allow final postal ballot papers to be issued.
- 7.2 5 new National Park Board members were elected until July 2026. Turnout was 31%.

## **8.0 Recommendation**

Members are asked to note the content of this report.

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**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

Report by the Depute Assessor & Electoral Registration Officer

30 September 2022

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**Subject: Records Management Plan****1.0 Purpose**

- 1.1 To update members of the Joint Board on progress towards complying with The Public Records (Scotland) Act 2011 and inform them of the Keepers Assessment Teams Progress Update Review Report.

**2.0 Background**

- 2.1 The Public Records (Scotland) Act 2011 ('the Act') came fully into force in January 2013. The Act required Dunbartonshire and Argyll and Bute Valuation Joint Board (The Board) and other public authorities to prepare and implement a Records Management Plan (RMP). The RMP sets out proper arrangements for the management of records within the Board.
- 2.2 Section 4(1) of the Act states that "an authority must submit its proposed records management plan to the Keeper for agreement by such date as the Keeper may determine". In line with the requirements of Section 4(1) the Joint Board's plan was agreed by the Keeper of the Records of Scotland ('the Keeper') on 18 February 2016 and reported to the Board on 17 June 2016.
- 2.3 Under sections 5(1) & (2) of the Act the Keeper may only require a review of an authority's agreed RMP five years after the date the plan was agreed, although following the recent global pandemic, the Keeper paused their resubmission program. Previously, a voluntary Progress Update Review (PUR) mechanism had been rolled out, to allow authorities to demonstrate progress towards completion of any action plan that arose out of the original agreed plan and to receive constructive advice on ongoing developments. The PUR submission is reviewed by the Keeper's Assessment Team.

**3.0 Progress**

- 3.1 On 18 February 2022, the Board received an invitation to submit a PUR to the Keeper's team for review by the 31 May 2022. The review was duly completed and sent to the Keeper
- 3.2 Following review and comment by the Keeper's team, the final PUR Report is now available along with a letter from the keeper recognising the progress made. The final report is due to be published later this month.

**4.0 The Progress Update Review**

- 4.1 The Board's RMP followed the Keepers model plan covering 14 elements and the PUR submission took the form of a self-assessment against each of the elements with any progress or changes to be submitted with evidence to the Keepers Assessment Team.

- 4.2 The report states that The Board continues to take their statutory obligations seriously and are working hard to bring all the elements of their records management arrangements into full compliance with the Act and fulfil the Keeper's expectations
- 4.3 The Board is likely to be next asked if it wishes to undertake a further PUR in February 2023.

## **5.0 Recommendations**

- 5.1 It is recommended that the Board notes the 2022 Progress Update Review Final Report by the PRSA Assessment Team and the conclusions included therein.

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Person to contact:  
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## **Appendices**

Appendix 1: Letter from NRS  
Appendix 2: 2022 Progress Update Review Final Report by the PRSA Assessment Team

## Appendix 1



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David Thomson  
Assessor & ERO  
Dunbartonshire and Argyll and Bute Valuation Joint Board  
235 Dumbarton Road  
Clydebank  
G81 4XJ

12<sup>th</sup> September 2022

Dear Mr Thomson,

### **Progress Update Review (PUR) Final Report: Dunbartonshire and Argyll and Bute Valuation Joint Board**

Thank you for your authority's submission of a Progress Update Review (PUR) for assessment and comment by the Public Records (Scotland) Act 2011 Assessment Team. We commend participation by authorities in undertaking, and reporting on, regular self-assessments and reviews of their records management arrangements. We anticipate that through uptake of the PUR tool, a stronger sense of collaboration and mutual support will be achieved between authorities and the Assessment Team. This will continue to enhance the culture of records management across Scotland's public authorities.

The Assessment Team has now evaluated the submission and consider that Dunbartonshire and Argyll and Bute Valuation Joint Board continues to take their statutory obligations seriously and are working to bring all the elements of their records management arrangements into full compliance with the Act and fulfil the Keeper's expectations.

I enclose the Assessment Team's findings in the accompanying Report. We would welcome you publishing this Report as an indication of the good work and progress your authority is making in its record management arrangements and to aid colleagues by sharing good practice with other authorities. The National Records of Scotland will publish the Report on its website in due course.

The PUR process is offered to all public authorities each year on the anniversary of the agreement of their Records Management Plan. Dunbartonshire and Argyll and Bute Valuation Joint Board can therefore expect to receive its next PUR invitation in February 2023.

Yours sincerely,

A handwritten signature in blue ink that reads "Iida Saarinen".

Iida Saarinen  
Public Records Support Officer  
Direct Email: [iida.saarinen@nrscotland.gov.uk](mailto:iida.saarinen@nrscotland.gov.uk)

A40584905 - NRS - Public Records (Scotland) Act (PRSA) - Dunbartonshire and Argyll and Bute Valuation Joint Board - Progress Update Review (PUR) - 2022 Final Report Letter

Preserving the past | Recording the present | Informing the future



## **The Public Records (Scotland) Act 2011**

### **Dunbartonshire and Argyll and Bute Valuation Joint Board**

### **Progress Update Review (PUR) Report by the PRSA Assessment Team**

**12<sup>th</sup> September 2022**

## Contents

1. The Public Records (Scotland) Act 2011.....	3
2. Progress Update Review (PUR) Mechanism.....	4
3. Executive Summary.....	5
4. Authority Background.....	5
5. Assessment Process.....	5-6
6. Records Management Plan Elements Checklist and PUR Assessment.....	7-14
7. The Public Records (Scotland) Act Assessment Team's Summary.....	15
8. The Public Records (Scotland) Act Assessment Team's Evaluation.....	16

## 1. Public Records (Scotland) Act 2011

The Public Records (Scotland) Act 2011 (the Act) received Royal Assent on 20 April 2011. It is the first new public records legislation in Scotland since 1937 and came into force on 1 January 2013. Its primary aim is to promote efficient and accountable record keeping by named Scottish public authorities.

The Act has its origins in *The Historical Abuse Systemic Review: Residential Schools and Children's Homes in Scotland 1950-1995* (The Shaw Report) published in 2007. The Shaw Report recorded how its investigations were hampered by poor recordkeeping and found that thousands of records had been created, but were then lost due to an inadequate legislative framework and poor records management. Crucially, it demonstrated how former residents of children's homes were denied access to information about their formative years. The Shaw Report demonstrated that management of records in all formats (paper and electronic) is not just a bureaucratic process, but central to good governance and should not be ignored. A follow-up review of public records legislation by the Keeper of the Records of Scotland (the Keeper) found further evidence of poor records management across the public sector. This resulted in the passage of the Act by the Scottish Parliament in March 2011.

The Act requires a named authority to prepare and implement a records management plan (RMP) which must set out proper arrangements for the management of its records. A plan must clearly describe the way the authority cares for the records that it creates, in any format, whilst carrying out its business activities. The RMP must be agreed with the Keeper and regularly reviewed.

## 2. Progress Update Review (PUR) Mechanism

Under section 5(1) & (2) of the Act the Keeper may only require a review of an authority's agreed RMP to be undertaken not earlier than five years after the date on which the authority's RMP was last agreed. Regardless of whether an authority has successfully achieved its goals identified in its RMP or continues to work towards them, the minimum period of five years before the Keeper can require a review of a RMP does not allow for continuous progress to be captured and recognised.

The success of the Act to date is attributable to a large degree to meaningful communication between the Keeper, the Assessment Team, and named public authorities. Consultation with Key Contacts has highlighted the desirability of a mechanism to facilitate regular, constructive dialogue between stakeholders and the Assessment Team. Many authorities have themselves recognised that such regular communication is necessary to keep their agreed plans up to date following inevitable organisational change. Following meetings between authorities and the Assessment Team, a reporting mechanism through which progress and local initiatives can be acknowledged and reviewed by the Assessment Team was proposed. Key Contacts have expressed the hope that through submission of regular updates, the momentum generated by the Act can continue to be sustained at all levels within authorities.

The PUR self-assessment review mechanism was developed in collaboration with stakeholders and was formally announced in the Keeper's Annual Report published on 12 August 2016. The completion of the PUR process enables authorities to be credited for the progress they are effecting and to receive constructive advice concerning on-going developments. Engaging with this mechanism will not only maintain the spirit of the Act by encouraging senior management to recognise the need for good records management practices, but will also help authorities comply with their statutory obligation under section 5(1)(a) of the Act to keep their RMP under review.

### **3. Executive Summary**

This Report sets out the findings of the Public Records (Scotland) Act 2011 (the Act) Assessment Team's consideration of the Progress Update template submitted for Dunbartonshire and Argyll and Bute Valuation Joint Board. The outcome of the assessment and relevant feedback can be found under sections 6 – 8.

### **4. Authority Background**

The Dunbartonshire and Argyll & Bute Valuation Joint Board was established as part of the 1996 reorganisation of local government in terms of The Valuation Joint Boards (Scotland) Order 1995 and is vested with the functions of the three valuation authorities (Argyll & Bute Council, East Dunbartonshire Council and West Dunbartonshire Council) in the former Strathclyde Region. With the agreement of the three councils the Board also has responsibility for the Electoral Registration function.

The Board will comprise 16 members who are appointed by the three councils with the Argyll and Bute Council and West Dunbartonshire Council each nominating 5 members and East Dunbartonshire Council 6 members.

The quorum for Board meetings is 4 members with at least one from each council area.

For ease of reference during the assessment of the Progress Update Review, the authority will be referred to as 'The Board'.

## 5. Assessment Process

A PUR submission is evaluated by the Act's Assessment Team. The self-assessment process invites authorities to complete a template and send it to the Assessment Team one year after the date of agreement of its RMP and every year thereafter. The self-assessment template highlights where an authority's plan achieved agreement on an improvement basis and invites updates under those 'Amber' elements. However, it also provides an opportunity for authorities not simply to report on progress against improvements, but to comment on any new initiatives, highlight innovations, or record changes to existing arrangements under those elements that had attracted an initial 'Green' score in their original RMP submission.

The assessment report considers statements made by an authority under the elements of its agreed Plan that included improvement models. It reflects any changes and/or progress made towards achieving full compliance in those areas where agreement under improvement was made in the Keeper's Assessment Report of their RMP. The PUR assessment report also considers statements of further progress made in elements already compliant under the Act.

Engagement with the PUR mechanism for assessment cannot alter the Keeper's Assessment Report of an authority's agreed RMP or any RAG assessment within it. Instead the PUR Final Report records the Assessment Team's evaluation of the submission and its opinion on the progress being made by the authority since agreeing its RMP. The team's assessment provides an informal indication of what marking an authority could expect should it submit a revised RMP to the Keeper under the Act, although such assessment is made without prejudice to the Keeper's right to adopt a different marking at that stage.

### Key:

<b>G</b>	The Assessment Team agrees this element of an authority's plan.	<b>A</b>	The Assessment Team agrees this element of an authority's progress update submission as an 'improvement model'. This means that they are convinced of the authority's commitment to closing a gap in provision. They will request that they are updated as work on this element progresses.	<b>R</b>	There is a serious gap in provision for this element with no clear explanation of how this will be addressed. The Assessment Team may choose to notify the Keeper on this basis.
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### 6. Progress Update Review (PUR) Template: Dunbartonshire and Argyll & Bute Valuation Joint Board (The Board)

Element	Status of elements under agreed Plan 18FEB16	Progress review status 19DEC18	Progress review status 12SEP22	Keeper's Report Comments on Authority's Plan 18FEB16	Self-assessment Update 20OCT18	Progress Review Comment 19DEC18	Self-assessment Update as submitted by the Authority since 19DEC18	Progress Review Comment 12SEP22
1. Senior Officer	<b>G</b>	<b>G</b>	<b>G</b>	Update required on any change.	This remains unchanged.	No immediate action required. Update required on any future change.	This remains unchanged.	Thank you for letting the Assessment Team know that there have been no changes to this element. Update required on any future change.
2. Records Manager	<b>G</b>	<b>G</b>	<b>G</b>	Update required on any change.	This remains unchanged.	No immediate action required. Update required on any future change.	Robert Nicol has been replaced by Russell Hewton who has taken on the role of Depute Assessor and Electoral Registration Officer. The Job Description for the role as previously submitted (evidence item DAB 05) remains	Thank you for this update which has been noted.

							current.	
3. Policy	<b>G</b>	<b>G</b>	<b>G</b>	Update required on any change.	This remains unchanged.	No immediate action required. Update required on any future change.	This remains unchanged.	Update required on any future change.
4. Business Classification	<b>G</b>	<b>G</b>	<b>G</b>	Update required on any change.	This remains unchanged.	No immediate action required. Update required on any future change.	This remains unchanged.	Update required on any future change.
5. Retention Schedule	<b>G</b>	<b>G</b>	<b>G</b>	Update required on any change.	This remains unchanged.	No immediate action required. Update required on any future change.	This remains unchanged.	Update required on any future change.
6. Destruction Arrangements	<b>A</b>	<b>A</b>	<b>A</b>	<u>Electronic</u> The updated Data Structure Project Plan (evidence item DAB 09a) shows the progress made in imposing the BCS structure upon the records held in shared drives. This will allow electronic records stored on the drives to be more easily identified and disposed of according to the requirements of the retention schedule. Evidence item DAB 37 provides guidance on disposal arrangements for records which will be amended as necessary as the abovementioned Project progresses.	The shared drive project has progressed significantly from the initial submission date. The IT, Non Domestic, Business Support (formerly called management) and Electoral Registration areas have been designed and are in use. Unfortunately we failed to meet the envisaged	There has been considerable progress in this project which was started in 2014. Delays in projects of this magnitude are understandable and it is clear from the revised project plan that these are being sensibly managed. Although the gap in provision has not yet been closed, the Board is working hard towards completion of this project.	Progress has continued on this project, although the project update document was not updated for some time. This has now been updated and attached (Evidence DAB 9a(i)-2022), along with screenshots (DAB 9a(ii)-2022) demonstrating progress on the old structures being reviewed	Many thanks for this update on record destruction arrangements, and the provision of the now-updated project update document. It is positive to hear progress has been made, and is also being tracked regularly.

				<p><b>The Keeper can agree this element on an ‘improvement model’ basis. This means that the authority has identified a gap in provision (deletion of electronic records from shared drives) and has provided evidence of its commitment to putting procedures in place to close the gap. As part of this agreement, the Keeper requests that he is kept updated as the project moves forward.</b></p>	<p>completion date and there remains work to be done. The review, and moving or cleansing of the files in the existing shared drives has proven to be resource intensive and is an ongoing project. A revised Project plan is submitted as evidence.</p>		<p>and moved as necessary. With a new records manager in post, and a restructure of our servers in place, this project has received fresh impetus.</p>	<p>Although the gap in provision has not yet been closed and this Element will remain at Amber, the Board is working hard towards completion of this project. The Assessment Team look forward to being updated on further progress in subsequent PURs.</p>
7. Archiving and Transfer	G	G	G	Update required on any change.	This remains unchanged.	No immediate action required. Update required on any future change.	This remains unchanged.	Update required on any future change.
8. Information Security	G	G	G	Update required on any change.	This remains unchanged.	No immediate action required. Update required on any future change.	Where policies and procedures were previously accessed via the Board’s Intranet site, this is in the process of being decommissioned, and those policies and procedures are now listed on	The Assessment Team thanks you for this update. It is good to hear that Policies and Procedures are being published on the Board’s website and are therefore readily

							the Board's public-facing website ( <a href="http://www.saa.gov.uk/dab-vjb">www.saa.gov.uk/dab-vjb</a> ) – see evidence DAB 23a(i)-2022 for screenshots. The staff induction procedures were update recently to reflect this (evidence DAB 23a(ii)-2022).	accessible. The evidence provided is also noted with thanks.
9. Data Protection	<b>G</b>	<b>G</b>	<b>G</b>	Update required on any change.	There has been significant change within this heading over the last 12 months. An External DPO has been appointed. Separate notifications have been made to the ICO for VJB (Z697104X), Assessor (A8400039) and ERO (ZA455894). The Depute Assessor and ERO completed a GDPR Practitioner Certificate Course. Training has given to all staff. Privacy Notices, updated	The Data Protection Act 2018 has, of course, driven changes in many authorities and the Board has made appropriate changes to its training and procedures. It is a business decision to appoint an external Data Protection Officer, which the Act allows.	The newly appointed Depute Assessor and ERO whose role includes being the organisations Senior Information Risk Officer (SIRO) has undertaken training and examination in Data Protection and has been awarded a GDPR Practitioner Certificate (evidence DAB 38). Data Protection Training remains a	See comments under Element 12.  Update required on any change.

					Data Protection Policy, Data Breach Procedures and Subject Access Request information are all available on our website <a href="https://www.saa.gov.uk/dab-vjb/privacy-notices/">https://www.saa.gov.uk/dab-vjb/privacy-notices/</a>		part of the induction process for all staff.	
10. Business Continuity and Vital Records	G	G	G	Update required on any change.	This remains unchanged.	No immediate action required. Update required on any future change.	This remains unchanged.	Update required on any future change.
11. Audit Trail	A	A	A	<p>The RMP states that, at present, the Board does not have comprehensive audit trail systems in place.</p> <p>Paper Council Tax and Non-Domestic records are stored in Council Tax List and Valuation Roll order and are kept within a secure area. Physical access is controlled under the provisions of the Visitor Access Policy (evidence item DAB 20) but there is no tracking mechanism in place for when records are removed from storage areas. There is however a commitment in the RMP to develop a file tracking</p>	<p>A process for recording the removal and return of files has been implemented. A copy of the procedure has been submitted as evidence along with a screen shot from our intranet.</p> <p>The shared drive project has progressed significantly from the initial submission date. The IT, Non Domestic,</p>	<p>Details of the Non Domestic (ND) Paper File Audit Procedures have been supplied. This is a straightforward manual system which should be easy to follow and use on a regular basis. It should help staff to find files when required by identifying where a file has been removed to in the course of routine business.</p> <p>As with Element 6,</p>	With the exception of the update given above in relation to the shared drive project, this element remains unchanged.	The Keeper expects authority's RMP to provide evidence that a complete and accurate representation of all changes that occur in relation to a particular record is maintained. The shared drive project, mentioned in previous updates, is likely

				<p>system. The Board has submitted evidence showing its proposed process for providing audit trail functionality for its paper Non Domestic filing system (evidence item DAB 32). This will mean that a record will be kept of who has withdrawn a file and when and when it has been returned. The agenda for the Admin Meeting on 20 January 2016 has also been submitted (evidence item DAB 33) showing that this proposed system will be discussed there. <b>The Keeper looks forward to being kept updated on the progress of this project.</b></p> <p>The Board is currently in the process of developing a new structure for its shared drives. This will be based on the Data Structure (evidence item DAB 09) and appropriate access permissions will be allocated to the folder structure. The timescales for this project are laid out in the Data Structure Project Plan (evidence item DAB 09) with completion envisaged for roll out by April 2016.</p> <p>The Board has submitted an email from the records manager (see Element 2)</p>	<p>Business Support (formerly called management) and Electoral Registration areas have been designed and are in use. Unfortunately we failed to meet the envisaged completion date and there remains work to be done.</p> <p>The review, and moving or cleansing of the files in the existing shared drives has proven to be resource intensive and is an ongoing project. A revised Project plan is submitted as evidence.</p>	<p>it is understandable that a resource-intensive project of this magnitude will be subject to delays and it is clear that these issues are being managed.</p> <p>There has been considerable progress evident from the paper file audit trail system which has been devised and implemented and from the project plan for the IT project. Although this is not yet complete, it is well on track and requires only time and resources to resolve this gap in provision.</p>		<p>to continue to be resource-intensive. While gradual progress is expected, it is accepted that the implementation of comprehensive audit trail processes in a new set-up is likely to take time. The Team looks forward to hearing how this is progressing in subsequent PURs.</p>
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				<p>detailing the file naming conventions in place for Non Domestic Valuation records stored on the shared drives.</p> <p><b>The Keeper can agree this element on an ‘improvement model’ basis. This means that the authority has identified a gap in provision (lack of comprehensive audit trail processes) and has provided evidence of the means by which it will close the gap. This agreement is dependent upon the Keeper being kept informed of the progress of work to close the gap.</b></p>				
12. Competency Framework	<b>G</b>	<b>G</b>	<b>G</b>	Update required on any change.	Records Manager has continued to attend NRS surgeries and has also given a presentation at one. The Records Manager is the Secretary of the Scottish Assessors Association Governance Committee which aims to share good practice in a number of areas including Records Management.	The Board is clearly supportive both of the professional development of the designated Records Manager and of wider training for all relevant staff. This is exemplary for a relatively small organisation and the Board is to be commended for its approach and attitude towards ensuring its staff have the on-going	R Hewton has taken over the role of Records Manager from R Nicol. Attendance at PRSA events has continued (Newcomers’ surgery – 28/3/22, General surgery – 25/4/22) and planned attending at the upcoming June Conference series of events). Although R	The Assessment Team thanks you for this update, and encourages the Records Manager to continue their engagement with the PRSA events and with the KHub discussion forum, as well as D Thomson’s continuing

					Information Security and Information management online training continues to be an annual requirement for all members of staff. All staff have also participated in GDPR information sessions.	training and support to undertake these statutory roles.	Hewton is not involved directly with the SAA Governance Committee, the Data Controller (D Thomson) is Chair of said Committee, and as such as an organisation there is a large amount of participation.  R Hewton has joined the PRSA Discussion Group on Khub.	positive involvement in the SAA Governance Committee.  The Assessment Team acknowledges the receipt of Mr Hewton's GDPR Practitioner Certificate and commends this additional training undertaken (see Element 9). Continuing staff induction training on Data Protection matters is also noted with thanks.
13. Assessment and Review	<b>G</b>	<b>G</b>	<b>G</b>	Update required on any change.	This remains unchanged.	No immediate action required. Update required on any future change.	This remains unchanged.	Update required on any future change.
14. Shared Information	<b>G</b>	<b>G</b>	<b>G</b>	Update required on any change.	This remains unchanged.	No immediate action required. Update required on any future change.	This remains unchanged.	Update required on any future change.

## 7. The Public Records (Scotland) Act Assessment Team's Summary

### Version

The progress update submission which has been assessed is the one received by the Assessment Team on 31 May 2022. The progress update was submitted by Russell Hewton, Depute Assessor & Electoral Registration Officer.

The progress update submission makes it clear that it is a submission for **Dunbartonshire and Argyll and Bute Valuation Joint Board**.

The Assessment Team has reviewed Dunbartonshire and Argyll and Bute Valuation Joint Board's Progress Update submission and agrees that the proper record management arrangements outlined by the various elements in the authority's plan continue to be properly considered. The Assessment Team commends this authority's efforts to keep its Records Management Plan under review.

### General Comments

Dunbartonshire and Argyll and Bute Valuation Joint Board continues to take its records management obligations seriously and is working to bring all elements into full compliance.

Section 5(2) of the Public Records (Scotland) Act 2011 provides the Keeper of the Records of Scotland (the Keeper) with authority to revisit an agreed plan only after five years has elapsed since the date of agreement. Section 5(6) allows authorities to revise their agreed plan at any time and resubmit this for the Keeper's agreement. The Act does not require authorities to provide regular updates against progress. The Keeper, however, encourages such updates.

The Keeper cannot change the status of elements formally agreed under a voluntary submission, but he can use such submissions to indicate how he might now regard this status should the authority choose to resubmit its plan under section (5)(6) of the Act.

## 8. The Public Records (Scotland) Act Assessment Team's Evaluation

Based on the progress update assessment the Assessment Team considers that Dunbartonshire and Argyll and Bute Valuation Joint Board continues to take their statutory obligations seriously and are working hard to bring all the elements of their records management arrangements into full compliance with the Act and fulfil the Keeper's expectations.

The Assessment Team recommends authorities consider publishing PUR assessment reports on their websites as an example of continued good practice both within individual authorities and across the sector.

This report follows the Public Records (Scotland) Act Assessment Team's review carried out by

A handwritten signature in blue ink that reads "Iida Saarinen". The signature is written in a cursive style and is positioned above the printed name and title.

Iida Saarinen  
Public Records Support Officer