



*Dunbartonshire and Argyll & Bute
Valuation Joint Board*

ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2018

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

CONTENTS

	<u>Page Nos.</u>
1. Members of the Board	1
2. Management Commentary	2 - 21
3. Remuneration Report	22 - 25
4. Statement of Responsibilities	26
5. Annual Governance Statement	27- 30
6. Introduction to Annual Accounts	31
7. Comprehensive Income and Expenditure Statement for the year ended 31 March 2018	32
8. Movement in Reserves Statement	33- 34
9. Balance Sheet as at 31 March 2018	35
10. Cashflow Statement for the year ended 31 March 2018	36
11. Notes to the Annual Accounts	37 – 54
12. Independent Auditor's Report	55 - 57

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

JOINT BOARD MEMBERS AND OFFICIALS AS AT 31 MARCH 2018

ARGYLL & BUTE COUNCIL

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

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 Marie McNair
Vacancy

OFFICIALS

David Thomson (Assessor & Electoral Registration Officer)
Robert Nicol (Depute Assessor & Electoral Registration Officer)
Peter Hessett (Clerk)
Stephen West (Treasurer)

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

MANAGEMENT COMMENTARY

GENERAL SERVICE AIMS AND OBJECTIVES

WHO WE ARE AND WHAT WE DO

Dunbartonshire and Argyll & Bute Valuation Joint 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 increasingly 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 2018**

1.0 INTRODUCTION

This report comprises the Joint Board's Management Commentary and Annual Accounts in relation to the 2017/18 financial year.

The main purpose of this Management Commentary is to inform all users of the accounts and to help them assess how the Joint Board perform their duty to promote the success of the Valuation Joint Board (VJB). 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 classed as local authorities) are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the "Code").

2017/18 was a very busy, and potentially significant, year for the Assessor and ERO functions and the Board's employees.

The year commenced with the timeous delivery of the 2017 Non-Domestic Rating Revaluation. The 1st April was the first time interested parties could appeal against their new valuations and appeals were received up until the deadline of 30th September. Thus the receipt, logging and acknowledgement of appeals were carried out in parallel with general maintenance activities and the management and disposal of running roll appeals. Notably, this maintenance work included the return of Shooting Rights and Deer Forests to Valuation Rolls for the first time since 1995.

In August, the Barclay Review of Non-domestic rating was published. Its recommendations, and the Government's reaction to them, could be far reaching in the medium to longer term.

In relation to our Council Tax functions, the number of new dwellings added to the Council Tax Lists was slightly down on recent years. Appeal activity spiked slightly for a short period following the introduction of the new charging regime which came into effect on 1st April 2017 but proposal levels remained within the range expected in any 'normal' year.

Support was provided for the Local Government elections held in May 2017 and the 'snap' UK Parliamentary election in June 2017, though, with the preparatory timetables overlapping, planning and implementation proved to be challenging.

The local elections in May 2017 saw the formation of a new Joint Board in June 2017. Councillor Richard Trail of Argyll & Bute Council was elected as Convenor of the Board and Councillor Vaughan Moody of East Dunbartonshire Council was elected as Vice Convenor.

Having fewer staff in 2017/18 as a result of Voluntary Early Retirement and Voluntary Severance in 2016/17 required us to review working practices and management structures. The slimmed down Management Team continues to be the main forum for decision making within the organisation. It met regularly throughout 2017/18 to manage statutory functions and operations, and develop, implement and monitor policies and strategies.

2.0 GENERAL PROGRESS IN RELATION TO STATUTORY FUNCTIONS

2.1 NON-DOMESTIC RATING

Aims

- To carry out a general revaluation, normally every 5 years;
- 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 issue Valuation Notices to the appropriate parties shown in the Valuation Roll;

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

2.1 NON-DOMESTIC RATING (Cont'd)

- 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 Revaluation Roll, make it available to the rating authority, the Keeper of Records and other 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

The 2017 revaluation came into effect on 1st April 2017 based on a valuation date of 1st April 2015. The revaluation was delivered entirely within statutory and in-house timetables.

The revaluation resulted in the following changes to the total Rateable Values of the Councils in the Joint Board area:

Local Authority	2010 Valuation Roll		2017 Valuation Roll	
	No. Of Subjects	Rateable Value	No. Of Subjects	Rateable Value
Argyll & Bute	8,502	£90,468,879	8,516	£109,930,634
West Dunbartonshire	2,894	£172,761,685	2,926	£185,733,135
East Dunbartonshire	2,362	£67,124,009	2,388	£68,990,965
DAB Total	13,758	£330,354,573	13,830	£364,654,734

The Assessor for Dunbartonshire and Argyll & Bute has a specific responsibility to value the statutorily 'designated' gas utility subjects for the whole of Scotland. These are entered in the Valuation Roll for West Dunbartonshire and the following are included in the above totals:-

Designated Subject	2010 NAV/RV	2017 NAV/RV
Transmission Network	£44,570,000	£36,800,000
Distribution Network	£42,000,000	£64,500,000
Meters	£8,300,000	£8,300,000
Total	£94,870,000	£109,600,000

The 1995 Valuation Timetable (Scotland) Order, as amended, allows for the submission of appeals against revalued rateable values up to 30th September in the year of the revaluation. By that date 3,568 appeals had been submitted against the values of 3,460 subjects, reflecting an appealed RV of £252,557,705.

Local Authority	2017 Revaluation Appeals		
	No. of Appeals	No. Of Subjects	Rateable Value
Argyll & Bute	1,749	1,714	£76,557,915
West Dunbartonshire	1,035	989	£125,358,510
East Dunbartonshire	784	757	£50,641,280
DAB Total	3,568	3,460	£252,557,705

The statutory date for disposal of these appeals by Valuation Appeal Committees is 31st December 2020 and this is a major priority for staff at this time. A schedule of Committee hearings has commenced and, by 31st March 2018, 1,805 appeals had been cited for hearing in the period March to June 2018.

By the end of the financial year 582 appeals had been disposed of with 420 (72%) withdrawn, 52 (9%) dismissed by the Committee for non-attendance at the hearing and 110 (19%) had their values adjusted.

Part 6 of the Land Reform (Scotland) Act 2016 removed the exemption from the Valuation Roll for Shooting Rights and Deer Forests that had existed for some years. Consequently, Shooting Rights and Deer Forests are to be entered into Valuation Rolls with effect from 1st April 2017. To that end a major information gathering and analysis exercise was undertaken during 2016 and 2017 with in excess of 800 new entries being made in the Valuation Rolls for the Joint Board area during 2017/18.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

2.1 NON-DOMESTIC RATING (Cont'd)

Maintenance of the Valuation Roll

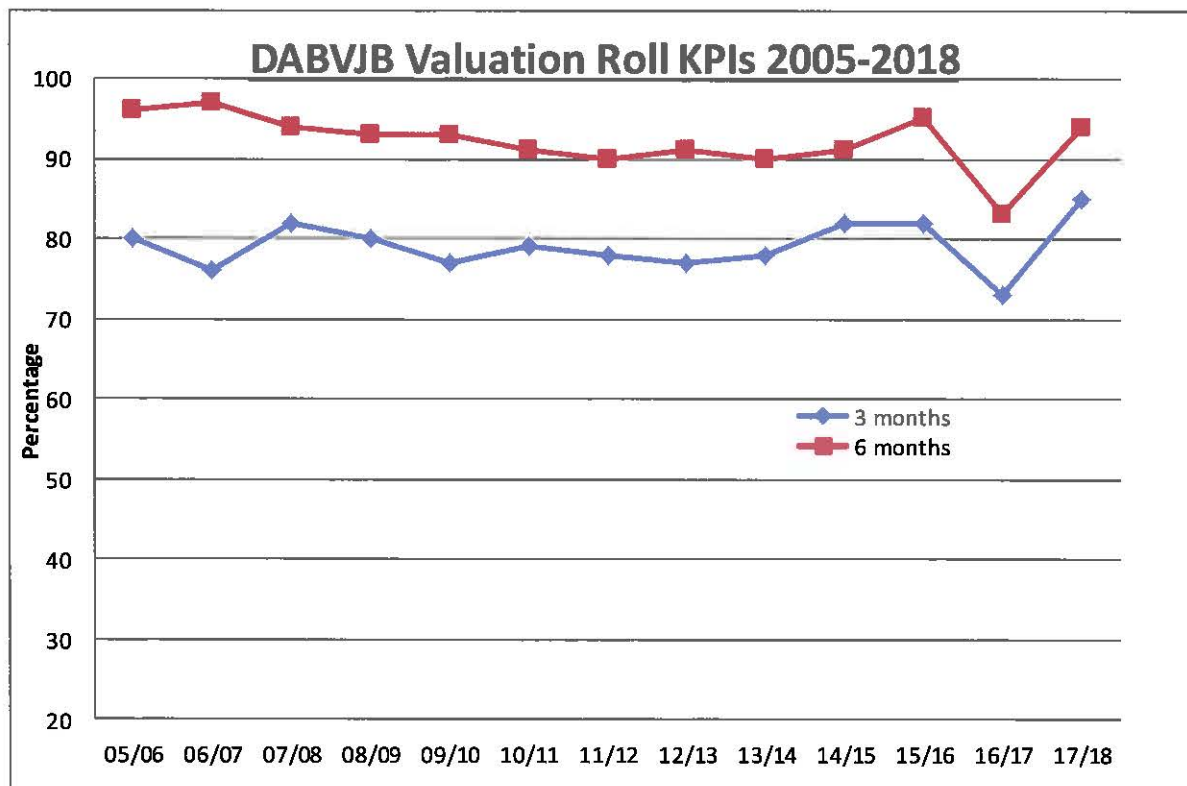
Throughout the year, professional and technical staff have been involved in the routine updating of the Valuation Roll to take account of additions, alterations and deletions. 989 amendments were made to the Valuation Roll during the year.

Total No of entries @ 1st April 2017	13,830
Total Rateable Value @ 1st April 2017	£364.65 million
Total Number of entries @ 31st March 2018	14,581
Total Rateable Value @ 31st March 2018	£372.69 million

The national Key Performance Indicator in relation to non-domestic valuation has been defined as the time taken from the date on which amendments to the Valuation Roll are effective to the date a Valuation Notice in respect of that change is issued. The following table sets out the targets and actual performance information for 2017/18 compared with the actual figures for 2016/17:

Period	Actual 2016/7	Target 2017/18	Actual 2017/18			
			Argyll & Bute	West Dunbartonshire	East Dunbartonshire	VJB Area
0-3 months	74%	83%	87%	77%	83%	85%
3-6 months	10%	12%	8%	13%	11%	9%
>6 months	16%	5%	5%	10%	6%	6%

Our performance over the period since 2005 is shown below:



**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

2.1 NON-DOMESTIC RATING (Cont'd)

Maintenance of the Valuation Roll (Cont'd)

It can be seen that there has been a significant improvement in relation to maintenance of the valuation roll. Targets have been achieved and performance bounced back from last year's dip to levels which match or exceed previous levels.

Lands Tribunal – 2005 and 2010 Appeals

After several years of relative stasis in relation to appeals which have been referred to the Lands Tribunal, 2017/18 saw some progress and at 31 March 2018, 13 appeals remain outstanding from the 2005 cycle and 59 appeals from the 2010 cycle. The latter includes one appeal which was referred to the Tribunal during 2017/18.

It is expected that appeals will continue to be disposed of through 2018/19 and that few, if any, of these appeals will require local cases to be presented at the Lands Tribunal.

2010 Running Appeals

During the year, 18 appeals relating to the 2010 Valuation Roll were received and 174 were disposed of leaving only those appeals which have been referred to the Lands Tribunal (see above) outstanding. The deadline for submitting this category of appeal is now past.

2017 Running Roll Appeals

During the year 351 running roll appeals (i.e. not related to the Revaluation) were received and 29 were disposed of leaving 322 outstanding. The vast majority of these appeals are in relation to the new Shooting Rights entries which were made to the roll during the year and this constitutes a significant amount of additional work for our valuation staff. These will be disposed of, in parallel with revaluation appeals, prior to December 2020.

Barclay Review of Non-Domestic Rating

In March 2016 the First Minister announced a review of the non-domestic rating system. Established under the chairmanship of Mr Ken Barclay, former Chair of RBS Scotland, the review considered how business rates might better support business growth, respond to wider economic conditions and changing marketplaces and support long-term growth and investment.

The Review published its report on 22nd August 2017 and concluded that:

“Assessors are well qualified for what they do and they generally carry out their functions diligently and to a high professional standard” and that “The current structure of the Assessors provides a good model of efficiency and has a key strength in its local knowledge so we propose no major structural change. It is also strength of the system that Assessors are independent of Government and value property... without political interference”

It also noted a number of areas where Assessors across Scotland should act to provide more transparency and consistency of approach.

To that end, Assessors were required to submit a plan to Ministers on how this could be achieved by the end of September. As a result, Assessors have either delivered or committed to a number of initiatives including the following:

- (a) The SAA has implemented an 'Issues Log' which records areas of perceived inconsistencies between Assessors and any action to mitigate these, where appropriate;
- (b) An extensive list of SAA contacts containing both specialists across the whole range of property types and local contacts is now published on the SAA website (www.saa.gov.uk); and
- (c) Local Practice Notes, where they apply, are now published on that same web site.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

2.1 NON-DOMESTIC RATING (Cont'd)

Barclay Review of Non-Domestic Rating (Cont'd)

The Review did recommend that, if the proposed improvements cannot be achieved on a voluntary basis, the Scottish Assessors Association should be made a statutory body reporting to the Scottish Ministers and with powers of enforcement over Assessors. This proposal would result in the removal of the independence of local Assessors and would, potentially, have significant implications for the current model of service delivery.

Scottish Ministers broadly accepted the recommendations of the Review and have committed to implement the majority of them. To date, actions taken include:

- (a) A new consultative group has been established with rating surveyors to complement the existing Scottish Business Ratepayers Group;
- (b) A Barclay Implementation Advisory Group has been established to consider the practical implications of the proposed changes; and
- (c) Implementation of legislation to relieve occupiers of newly built properties of any rates burden for 12 months and to provide full rates relief to Day Nurseries.

Ministers have also committed to the recommendation to move to a cycle of three-yearly Revaluations from 2022 and have reiterated this commitment subsequent to the budget announcement that England would move to a 3-yearly Revaluation cycle in 2021.

The combined effects of the shorter revaluation cycle and the separation of timetables from England will have significant effects on the Joint Boards resources and working practices and these changes will need to form the context of many decisions moving forward.

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 issue Banding Notices to the appropriate parties;
- To 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 the billing authority, the Keeper of Records and other 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 31st March 2018 saw 832 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 2017	144,388
Total Number of entries @ 31st March 2018	144,773

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

2.2 COUNCIL TAX (Cont'd)

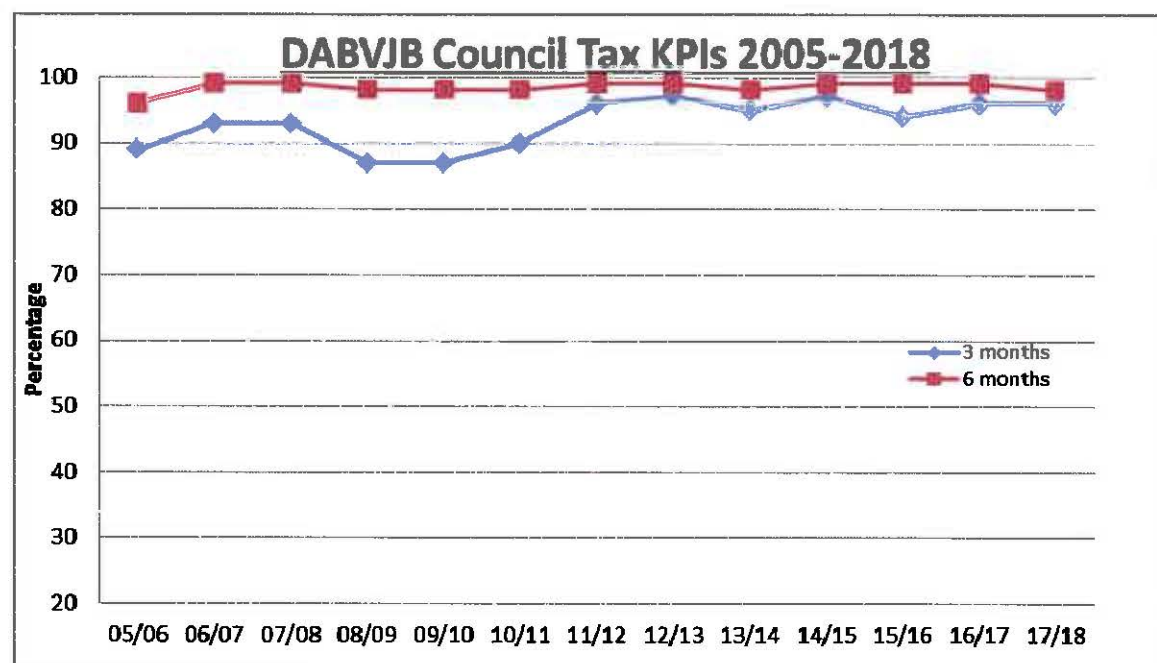
Maintenance of Valuation List (Cont'd)

The national Key Performance Indicator in relation to Council Tax has been defined as the time taken from the date on which additions to the Valuation List are effective to the date a Banding Notice in respect of that new entry is issued. The following table sets out the target and actual performance information for 2017/18 compared with the actual figures for 2016/17:

Period	Actual 2016/17	Target 2017/18	Actual 2017/18			
			Argyll & Bute	West Dunbartonshire	East Dunbartonshire	Whole VJB Area
0-3 months	96%	95%	94%	95%	98%	96%
3-6 months	3%	3%	3%	1%	2%	2%
>6 months	1%	2%	3%	4%	0%	2%

Thus, whilst our targets were achieved, this was not the case uniformly across the Joint Board area and this is an area where we look to improve performance during 2018/19.

The pattern of performance over a longer period is shown below:



Proposals and Appeals

During the year 284 proposals to change property Bands were received and 285 were disposed of, leaving 162 outstanding at the end of the year.

The government's introduction of new charging ratios for properties in Bands E to H did result in an increase in enquiries and proposals for houses in these bands in the early part of the year but the effect was relatively short-lived and total proposal numbers over the year were within the 'normal' range.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

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 under Rolling Registration;
- To deal with all claims and objections relating to the Register;
- To deal with applications for absent votes, collect and securely store Personal Identifiers and maintain relevant Absent Voters lists;
- To produce, and make available for sale, copies of the Electoral Register in accordance with statutory arrangements;
- To encourage Electoral Registration in the three constituent Council areas; and
- To support the efficient running of elections within the Joint Board area.

Electoral Registration and Publication of the Register

2017/18 was the second full year under the new 'Business-as-usual' Individual Electoral Registration (IER) procedures and we received £70,321 in funding from the Cabinet Office's Modernising Electoral Registration Programme to cover the additional costs that the IER regime introduced.

Our annual canvass commenced on 3 July with the issue of Household Enquiry Forms (HEFs). These forms cannot, however, be used to effect change to the register. Instead, change notified on returned HEFs is used to initiate the issue of an Invitation to Register (ITR) or other relevant documentation. Thus what was a single stage process for a whole household can now be a multi-stage process for each individual applicant.

The requirement to issue ITRs both during and outwith the annual canvass period partly removes the distinction between the two processes, thereby making reporting directly on the canvass much more difficult.

Notwithstanding the above, we issued the following HEFs, including reminders, during the canvass period with the majority of the 2nd reminders being issued via a door-to-door canvass as follows:

Council Area	Initial issue	1 st Reminder	2 nd Reminder	%age Return
Argyll & Bute	48,491	20,980	14,613	85.40%
East Dunbartonshire	46,537	21,780	12,279	83.07%
West Dunbartonshire	45,017	25,472	17,334	69.48%
VJB Total	140,045	68,232	44,226	79.51%

The total response rate of 79.51% is down slightly on 2016 levels (80.8%) but was higher than 2015 when the return was 74.96%. The persistently low return rates for West Dunbartonshire, compared to the other two council areas, are a source of concern and we are continually looking at new ways of engaging with the electors to improve this response. The increasing difficulty in recruiting canvassers throughout the Joint Board area is also an issue which we will need to review.

Several methods of making returns are provided to electors and a summary of the returns is shown below:

Method of Response	2016 Canvass		2017 Canvass	
	No of Returns	%age return	No of Returns	%age return
Post	55,367	39.62%	52,425	37.43%
Electronic (web/phone/SMS)	40,482	28.97%	42,993	30.70%
Phone/Email contact	2,426	1.74%	3,045	2.18%
Door-to-door canvass	7,870	5.63%	6,648	4.75%
Verified as second home/long term empty	5,646	4.04%	5,615	4.01%
Returned/Empty/ Other	1,111	0.8%	619	0.44%
Total	112,902	80.8%	111,345	79.51%

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

2.3 ELECTORAL REGISTRATION (Cont'd)

The number of changes to the Register during the 2017 canvass period was as follows:

Elector Additions	8,993
Elector Deletions	13,994

This resulted in a total electorate of 222,507 at publication on 1st December split as follows:

Local Authority	Electorate
Argyll & Bute	68,271
East Dunbartonshire	85,410
West Dunbartonshire	68,826

The total electorate figure is up on the total at publication in December 2016 as follows:

Year	No of Electors
2017	222,507
2016	221,078
2015	218,668
2014	223,594
2013	221,453
2012	219,117
2011	217,065
2010	216,433
2009	215,460
2008	216,241

The full Electoral Register can only be provided for certain limited statutory purposes, while the 'Open Register' (also known as the 'Edited Register') can be sold to anyone for any purpose. Under IER electors who opt-out from the Open Register will remain opted out until they advise the ERO accordingly or they re-apply to be registered. At the end of the 2017 canvass the percentage of electors who had opted out was as follows:

Year	Electors Opted out
2017	42.0%
2016	39.3%
2015	33.4%
2014	26.0%
2013	13.5%
2012	19.5%
2011	21.0%
2010	27.2%
2009	25.3%
2008	21.7%

Absent Voters

Generally, the trend in numbers of absent voters on the register over time has tended to be upwards but this trend appears to have been reversed over the last two canvasses.

Year	No of Absent Voters
2017	35,918
2016	37,764
December 2015	38,376
February 2015	34,525
2014	27,176
2012	29,501
2011	29,076
2010	27,365
2009	24,899
2008	23,095

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

2.3 ELECTORAL REGISTRATION (Cont'd)

Rolling Registration

Rolling Registration is the process of dealing with applications for changes to the Register which take place outwith the canvass period. During 2017/18 the numbers of rolling registration changes made were as shown below:

Local Authority	Additions	Deletions
Argyll & Bute	4,109	2,937
East Dunbartonshire	3,836	2,752
West Dunbartonshire	3,194	2,519
VJB Area	11,139	8,208

Historically, the annual canvass provided significantly more change to the registers than rolling registration but the above illustrates that the gap is closing. Electoral events, and all the publicity surrounding them, now account for much of the annual change to registers.

IER requires a pro-active approach to change throughout the year and we have continued to use sources such as Council Taxpayer records, Education Authority data and house sales information to initiate the issue of ITRs.

Electoral Performance

The Electoral Administration Act 2006 (EAA) gave the Electoral Commission (EC) powers to set standards of performance for EROs, Returning Officers (ROs) and Referendum Counting Officers (RCOs) in Great Britain.

In March 2016 the Electoral Commission published its standards which would apply to the new 'business-as-usual' regime. Our self-assessment is that we are compliant with each of the standards albeit we are continually updating and reviewing how we comply. The EC requests evidence of compliance from a sample of EROs, annually, based on their own assessment of risk and, to date, we have not been asked to make such a submission.

Alongside the Performance Standards regime, the EC and the Cabinet Office have developed an extensive suite of reports on registration activity and register accuracy and completeness. Various reports were submitted to these bodies both during the annual canvass and immediately following publication of the registers.

Elections and Referendum

During 2017/18 Electoral Registers were used for the purposes of the Local Government elections in May 2017 and the 'snap' UK Parliamentary election in June 2017. Very few issues arose at either event in respect of the completeness or accuracy of the registers, though the overlapping timetables for preparations, cut-offs for applications and so on were confusing to the public and difficult to administer.

Miscellaneous Electoral Matters

During the year the Scottish Government passed legislation with the intention of broadening access to anonymous registration for vulnerable people.

The Cabinet Office continues to investigate ways of making the annual canvass less prescriptive, more flexible to local need and cheaper to administer. An awareness of emerging ideas is maintained through SAA representation on the various working groups. In the meantime, the programme has been the driver for a number of minor alterations to electoral application forms and other changes to the application procedure which are currently being implemented.

Under the Scotland Act 2016 the Scottish Parliament and Government have new powers and responsibilities relating to elections to the Scottish Parliament. This means that the Scottish Parliament now has the power to legislate on electoral registration issues in relation to Scottish Parliament and Local Government elections and referendums held under legislation which has been approved by the Scottish Parliament.

Reflecting these new powers, the Scottish Government launched a consultation on various areas of potential Electoral Reform on 19 December 2017.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

2.3 ELECTORAL REGISTRATION (Cont'd)

Issues under consideration include the terms of both the Scottish Parliament and Local Councils, the franchise, the role of the Electoral Management Board for Scotland, the independence of Returning Officers, and internet and mobile phone voting. The Valuation Joint Board's Management Team provided input to the Scottish Assessors' Association Electoral Registration Committee's response which was made by the closing date of 12 March 2018.

952 responses were made to the consultation and Government expects to publish the analysis of responses and its response to the consultation in late summer.

3.0 GENERAL PROGRESS IN RELATION TO OTHER MATTERS

3.1 INFORMATION AND COMMUNICATIONS TECHNOLOGY

IT and Computer Provision

The Valuation Joint Board's IT Strategy, which was updated during the year, provides direction and focus for the Joint Board as technology advances and the requirement for changes in processes continues. The strategy:

- Supports the day to day business of the Board;
- Assists in the delivery of a high quality service;
- Identifies the competencies required for ICT support and development; and
- Helps maintain partnerships with stakeholders.

Computers and IT systems continue to be maintained and upgraded as required to meet operational needs and in accordance with the recommendations from West Dunbartonshire Council's ICT Service. During the year we ordered 2 PCs and 9 laptops to replace obsolete devices. There was a delay with the IT order and we did not receive our order in 2017/18.

The planned procurement and installation of a new flexi-time system was held over to allow further consideration of requirement and investigations into market availability,

We finally overcame the various obstacles which were preventing installation of a fibre cable to our Campbeltown office and the line went live in late February 2018. This has led to a marked improvement in network performance though our Electoral Management System has not shown as significant an improvement as might have been expected. Investigations into how this might be improved remain ongoing.

Our Electoral Management System was upgraded several times throughout the year to provide the functionality required.

A new online customer satisfaction system was developed to replace existing procedures (see below) and new complaints recording system was developed, in line with a recent audit recommendation, to allow better recording and reporting of complaints.

Scottish Assessors Association Web Site

Throughout the year, staff continued to actively participate in the Project's Management Committee, Project Team and Working Group to enhance the SAA web portal (www.saa.gov.uk). This provides single point access to Valuation Roll, Council Tax List and Electoral Registration information on an all-Scotland basis.

The web portal was used as the vehicle for publishing 2017 Rateable Values in December 2016 and the full Revaluation Roll, as made up, went live on the morning of 1st April 2017. Some 2,998 (84%) of the appeals received locally in respect of the 2017 Revaluation were submitted through the portal. Acknowledgements of these appeals were issued electronically, thereby reducing administration time and mailing costs.

Issues around data holding, sharing and supply resulted in a significant loss of income to the portal project and, to support the portal's continued existence, its financial model has had to be re-arranged with a consequent increase in funding requirement from local Assessors in future years.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

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 2016/17 Public Performance Report was published during 2017/18 on our web site (www.dab-vjb.gov.uk).

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, the following improvement actions were taken, or were ongoing, during 2017/18:

- A new 3-year Service Plan for the period 2018– 2021 was presented to the Board for approval at its meeting in June 2018;
- The Joint Board's Data Protection Policy, processes and procedures have been under review throughout 2017/18 and the Depute Assessor has received training which should allow him to carry out the duties of a Data Protection Officer. This will aid compliance with new General Data Protection Regulation (GDPR) regime which comes into effect in May 2018;
- A Local Code of Good Governance was approved and a self-assessment against the CIPFA/Solace "Delivering Good Governance in Local Government: Framework" was carried out, resulting in the establishment of a Governance Action Plan. This will be used to inform and support the Annual Governance Statement and help evidence the Joint Board's governance arrangements to auditors and stakeholders;
- To improve transparency and provide evidence of compliance with the seven principles of public life, a staff 'sign-off' of their individual compliance with the Joint Board's Code of Conduct for staff was completed;
- A review of the Board's Customer Satisfaction procedures was completed and implemented with effect from April 2018;
- A market review of insurance services and options available to the Joint Board was undertaken to provide assurance that best value was being achieved in the procurement of this service;
- All Joint Board meeting papers are now published on the DABVJB web site in advance of Board meetings; and
- A Financial Strategy covering a 10 year period and presenting a number of scenarios was developed and approved in March 2018.

The above represent real commitments to the Best Value regime and to continuous improvement. The current financial restrictions have imparted an efficiency driven ethos in many of our operations, but we will continue to strive to provide improving services.

Audit

During the year Internal Audit completed a review of, and reported on, our Electoral Registration Procedures and carried out a review of our Non-Domestic Rating and Council Tax Appeal procedures.

The report on Electoral Registration procedures concluded that we had adapted well to the introduction of Individual Registration in 2013/14 and the extension of the voting rights to 16 and 17 year olds in Scottish Parliamentary Elections, Scottish Local Elections and in the Scottish Independence Referendum. Two minor areas for improvement were highlighted and the proposed actions were implemented prior to the target date in September 2017.

The review of our NDR and Council Tax appeal procedures took place during 2017/18 though the report was not issued until April 2018. The audit highlighted areas of good practice, most notably the receipt of proposal and appeals electronically and the work undertaken to ensure that the majority of appeals are resolved without the requirement for hearing by the Local Appeals Panel. A number of opportunities to strengthen internal controls were identified, however, and these will be taken forward during 2018, primarily through process reviews to be completed by our internal Valuation Group. One recommendation, to develop the use of electronic files to reduce the amount of paper files being used, will require further investigation as well as a significant financial commitment from the Joint Board and our constituent Councils.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

3.2 BEST VALUE (Cont'd)

The finances of the Joint Board for 2017/18 have now been audited by Audit Scotland who completed initial investigations into systems during the year. An Audit Plan was completed which identified the main areas where they will direct scrutiny, as follows:

- Controls are in place to ensure that management cannot override financial controls; and
- Investigate and evaluate the risk of fraud in the Joint Board's expenditures.

The auditors have reported on these investigations in their Auditor's Report.

Customer Satisfaction

For some years now, recent users of the Joint Board's services have been randomly sampled and issued with questionnaires to seek their perception of the service provided to them. A summary of the results is provided below. These show that:

- By far the majority of our stakeholders (99%) find us professional, courteous and helpful;
- 62% of queries or transactions are completed at the first point of contact and only 3% of matters are not concluded to the satisfaction of the stakeholder;
- Most users of Joint Board services (96%) are satisfied with the information and/or advice provided to them; and
- Very high satisfaction levels are being maintained on a year-to-year basis.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Survey Return Rate	23%	28%	27%	21%	18%	19%	21%
Was the person with whom you communicated professional, courteous and helpful?	98%	97%	98%	99%	97%	97%	99%
Was the matter brought to a satisfactory conclusion immediately?	62%	58%	55%	67%	62%	68%	62%
Was the matter brought to a satisfactory conclusion?	98%	98%	96%	97%	96%	97%	97%
Are you satisfied with the quality of the information or advice given to you?	96%	96%	96%	97%	94%	97%	96%

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

3.2 BEST VALUE (Cont'd)

Customer Satisfaction (Cont'd)

No Customer Satisfaction forms were requested in alternative languages, Braille or other formats. A breakdown of the returns which indicated the relevant protected characteristics is shown below:

Characteristic	Category	Percentage	Characteristic	Category	Percentage	
Race	White	97.4%	Age	16-21	2.4%	
	Non-white	2.6%		22-30	4.4%	
Gender	Male	45.6%		31-40	9.8%	
	Female	54.4%		41-50	18.6%	
Disability	Disabled	6.9%		51-60	25.0%	
	Able-bodied	93.1%		61-65	13.2%	
Sexual orientation	Heterosexual	98.9%		66-70	9.8%	
	Other	1.1%		70+	16.7%	
Marital status	Married	67.2%				
	Never Married	13.1%				
	Other	19.7%				

Sample sizes within the various equalities groups were too small to draw firm conclusions but the results will continue to be monitored to ensure that we are carrying out our functions in a fair and equitable manner.

During 2017/18 we completed a review of the Customer Satisfaction sampling process and have now implemented an on-line survey which precludes the need to issue and receive paper forms. It is hoped that as well as reducing the manual resources and direct costs required to issue and handle returned forms, the new process will result in an increased response rate. This will need to be monitored as the year goes on.

Complaints Procedure

The Joint Board operates a Complaints Procedure which is in line with the Public Sector Ombudsman's Model Complaints Handling Procedure.

There were a total of 15 Complaints received during 2017/18, compared to 31 in 15/16 and 14 in 2016/17, with 10 relating to Electoral Registration, 2 to NDR, 2 to Council Tax and one relating to equality of access to services. One complaint was not pursued when clarification was sought. Of the remainder, 8 complaints were resolved at the Frontline Resolution stage with 6 being escalated to the Investigation stage. None were referred to the Ombudsman.

The nature of the complaints received was very varied, though a number do relate to the timetables and processes required for registering or obtaining an absent vote in advance of electoral events. This was magnified in 2017 because of the overlapping timetables for the two national electoral events.

In a number of cases complaints resulted in reviews to, and amendments of, our processes and/or service delivery including the provision of revised guidance to staff on the provision of rateable value/banding estimates to enquirers and an amendment to the web site to include contact e-mail details where previously only a telephone number had been supplied.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

3.2 BEST VALUE (Cont'd)

Financial Performance

Comprehensive Income and Expenditure Statement

This account covers the day to day operational expenditure of the Joint Board and is shown on page 32 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 £549,201. However this takes account of capital contribution of (£12,517), adjustments between the accounting and funding basis of £620,155 and the in-year surplus of (£58,437) as shown in the table below:

	Comprehensive Income & Expenditure Statement	Statutory Adjustments	Actual	Budget	Variance
	£	£	£	£	£
Employee Costs	2,461,920	(404,271)	2,057,649	2,136,848	(79,199)
Property Costs	112,755	0	112,755	126,276	(13,521)
Transport Costs	47,105	0	47,105	45,000	2,105
Supplies & Services	243,545	0	243,545	299,216	(55,671)
Payment to Other Bodies	44,287	0	44,287	30,000	14,287
Support Services	128,054	0	128,054	128,054	0
Depreciation & Amortisation	21,884	(21,884)	0	0	0
Other Costs (Interest; Pensions)	194,020	(194,000)	20	(100)	120
Total Expenditure	3,253,570	(620,155)	2,633,415	2,765,294	(131,879)
Requisition Income	(2,611,171)	0	(2,611,171)	(2,611,171)	0
Grant Income	(70,321)	0	(70,321)	(70,000)	(321)
Capital Contribution	(12,517)	12,517	0	0	0
Rental Income	(1,800)	0	(1,800)	(1,800)	0
Sales, Fees & Charges	(8,560)	0	(8,560)	(1,500)	(7,060)
Total Income	(2,704,369)	12,517	(2,691,852)	(2,684,471)	(7,381)
(Surplus)/Deficit for the year	549,201	(607,638)	(58,437)	80,823	(139,260)

The main budget variances are shown below:

Spend Area	Variance £	Comments
Employee	(79,199)	This underspend is mainly due to non filling of vacancies.
Property	(13,521)	This underspend is mainly due to lower than anticipated expenditure on rates, energy and accommodation costs.
Supplies & Services	(55,671)	This underspend is across a number of headings (such as machine lease, computer licences, telephones, printing & stationery).
Payments to Other Bodies	14,287	This overspend is mainly due to higher than anticipated expenditure relating to Valuation Appeals Committee.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

3.2 BEST VALUE (Cont'd)

Balance Sheet

The balance sheet is shown on page 35 and features an assessed pension fund liability of £3.140m based on the valuation of the fund at 31 March 2018. This results in the Board's Balance Sheet showing a net liabilities position. Further information on the pension fund is provided in note 4 on pages 46 to 49 and the valuation states that assets held at the valuation date were sufficient to cover only 86% 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.

From April 2016, arising from changes in pension's legislation, the payments that the Joint Board makes in respect of Employer's National Insurance contributions have increased. Due to the formal valuation in 2017/18 pension contributions will increase from 1 April 2018. These changes, which are beyond the control of the officers of the Joint Board, make it all the more challenging to close the year-on-year budget gaps which have been projected. The issue must be dealt with, however, and addressing the budgetary shortfall, against a background of a generally tightening budgetary position, will need to form a major focus for the both the Officers and Members of the Joint Board during 2018/19.

The pension scheme net liability has decreased by £4.114m as advised by the appointed actuaries, and this is mainly as a result of the movement in the discount rate. The appointed actuaries remain of the view that the asset holdings of Strathclyde Pension Scheme and the contributions from employees and employers together with planned increases in employer' contributions 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 (17/18 £52,474) or £100,000, 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.

As at 31 March 2018 the Board held total usable reserves of £580,568 (of which £29,510 relates to unapplied capital reserves) with the remaining balance comprising revenue reserves of £551,058. A proportion of this is identified as an earmarked balance (£156,659) and once this has been accounted for leaves £394,399 of general reserves for future use (including £100,000 prudential reserve above).

The Joint 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 2017/18 reduced by 2%. Given the forecast reduction in funding for local government into the future it is anticipated that levels of funding may be challenging going forward into 2018/19 and beyond and management have commenced planning for this to ensure ongoing service delivery reflecting the increasing workload to the Board.

Provisions and Contingencies

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

Service Changes and Future Developments

The statutory functions of the Assessor were extended during 2017/18 to require the inclusion of shooting rights and deer forests in the valuation roll.

Group Annual Accounts

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

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

3.2 BEST VALUE (Cont'd)

Risk Management

The Joint Board's Risk Registers and Action Plan are revised annually. Inclusions in the Board Risk Register during the year were:

- The potential for the Joint Board or its statutory officials to fail to meet their respective statutory duties;
- The financial and service performance risks associated with static or reduced funding levels;
- The risks arising from the Barclay Review and the Government's reaction to it, from fairly minor operational matters right up to the possibility that the Joint Board ceases to exist in its current form;
- The dependency of the Joint Board on ICT for delivery of its statutory functions and service delivery; and
- The devolution of legislation governing Electoral Registration for Scottish Parliamentary and Local Government elections could result in additional operational complexity, system development costs and stakeholder confusion.

All risks have planned actions to mitigate or minimise the risk and progress against these actions is regularly monitored at Management Team meetings.

3.3 EQUALITIES

The Joint Board's Management Team is committed to ensuring equality in all that it does.

Arising from the Specific Duties which were established by the Scottish Government subsequent to The Equality Act 2010, the Joint Board established that its stated Equality 'Outcomes' are 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.

In April 2017 we published a report which details the number of staff who identified themselves as having a disability which increased significantly since the base line survey, thereby indicating progress against the first stated Outcome.

As indicated above, our Customer Satisfaction results are inconclusive in respect of service provision across the protected characteristics in 2017/18. Looking at results over a longer period, however, indicates that we are providing fair and equitable services to all parts of our communities.

The report also includes analysis of various staffing related matters across the equalities strands including the new gender pay gap reporting requirement.

3.4 STAFFING MATTERS

Development and Training

The Board's Staff Development and Training procedures provide for a structured and strategic provision of training and development opportunities for all members of staff. Each employee reviews their training needs with their line manager on an annual basis and the resultant Training and Development Plan is used to inform the provision of training throughout the year.

In 2017/18 training was provided through externally sourced courses, in-house training events and e-learning facilities in a range of subjects including various aspects of Electoral Registration, the General Data Protection Regulation, process management, the role of an advocate in VAC hearings and Health & Safety Reporting Procedures. A 'Core' training programme has been established and this requires staff to complete refresher training in various topics.

One Trainee Technician qualified as a Technician whilst formal training is ongoing for three Trainee Valuers, two of whom are undergoing their Assessment of Professional Competence. One member of staff is currently completing a distance learning course for the Association of Electoral Administrators 'Certificate' level qualification.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

3.4 STAFFING MATTERS (Cont'd)

Personnel Policies

During the year, and in line with the approach in West Dunbartonshire Council, the Board also approved:

- (a) Revised Staff Guidance on, and Registers of, Gifts, Hospitality and Conflicts of Interest;
- (b) A Recruitment Policy, incorporating the right to request Flexible Working and a guaranteed interview for carers; and
- (c) A revised Flexible Working Policy.

During 2018/19 we will consider a number of new and reviewed policies in line with changes made within WDC late in the financial year.

Voluntary Early Retirement and Voluntary Severance

In June 2016, and in recognition of the funding gaps being projected in the Board's indicative budgets, the Joint Board agreed that the Assessor should undertake an exercise to identify employees who may be interested in Voluntary Early Retirement/Severance (VER/S) on similar terms to those prevailing in West Dunbartonshire Council.

Having lost 4 staff through these processes in 2016/17, no further reductions in staffing were effected through early retirement or voluntary redundancy in 2017/18. The schemes may need to remain open as options for dealing with budget gaps going forward, albeit the implications of the move to 3-yearly NDR Revaluations are that additional staffing is likely to be required.

3.5 FREEDOM OF INFORMATION

The Joint Board's 'Guide to Information' was updated and maintained as required with relevant documents available from <https://www.saa.gov.uk/dab-vjb/download/2239/>

A 'business as usual' approach has been taken to the majority of requests for information received, but in the calendar year to December 2017, 21 requests which specifically referred to the Freedom of Information Act were received.

Two requests received related to Electoral Registration, a function which is not currently covered under the FoI legislation. However, in the spirit of applying best practice, these requests were responded to as if they had been covered by the legislation. 9 requests related to NDR Valuation, 6 to Council Tax matters and 4 to general topics or where they covered more than one area of service. In the vast majority of cases the information requested was supplied in full or in part. All requests were answered within the statutory timescales with the average response time being just over 11 days. There was one request for a Review from an enquirer who made multiple requests over the period of the reporting year. Dealing with requests took almost 36 hours of staff time and no fees were charged.

We now provide quarterly reports on requests received and their outcomes to the Information Commissioner.

In a worrying development, some professional rating agents are now using the Freedom of Information regime to try to supplement the information they obtain from, or circumvent the existing procedural regulations in, the NDR appeals process. Further advice is being taken by the SAA on such issues.

3.6 DATA PROTECTION

Both the Joint Board and the Assessor & ERO have always had firm commitments to the proper storage and secure processing of personal data but the additional requirements of the new General Data Protection Regulation, which comes into effect in May 2018, meant that preparations for the new regime had to commence during 2017/18. Significant progress has been made, partly in partnership with the SAA, and appropriate training has been provided to senior managers. We should therefore be well placed to comply with the new Regulation going forward.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

3.7 RECORDS MANAGEMENT

The Public Records (Scotland) Act 2011 came fully into force in January 2013. The Act requires 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.

In February 2016 the Keeper of the Records approved the Joint Board's RMP and agreed an improvement action plan which the Board has continued to implement throughout 2017/18.

3.8 PROPERTY

In 2016/17 Argyll & Bute Council completed a property rationalisation programme which resulted in the closure of the Witchburn Road office building in Campbeltown. This property was used by the Joint Board for file storage and occasional meetings. In recognition of the existing occupation agreement held with Argyll & Bute Council, the Council committed to finding alternative accommodation for the Joint Board.

In early 2017 such accommodation was identified in the Old Quay Pier Buildings in Campbeltown and, having agreed the terms of a new occupation agreement, the Joint Board moved into the premises in June 2017.

3.9 PARTNERSHIPS

The Valuation Joint 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. The Association is constituted to facilitate a consistency of approach in the administration of the non-domestic rating valuation, council tax and electoral registration services across Scotland. It works through a series of Committees and associated Working Groups, which report to regular plenary sessions that are attended by representatives from all Assessors' offices.

Valuation Joint Board staff are represented in the Association in all of its Category Committees, in working groups and as authors of Practice Notes which are used to implement all-Scotland approaches to the valuation of various subject types. The co-operation and co-ordination of the Association is of critical importance in the completion, and defence, of a Revaluation.

During 2017/18 the Association was particularly active in both inputting and responding to the Barclay Review of NDR. This was illustrated by the delivery of an SAA Action Plan to Ministers by the end of September 2017 when the Review had set a target of June 2018. The Association has also implemented an Issues Log and has a commitment to log and take action where stakeholders perceive there to be issues arising from the services provided across Scotland.

The SAA also collated a response to the Scottish Government's Consultation Paper on Electoral Reform. The Government has published the consultation submissions and its response is awaited.

The SAA also continued to liaise with the Valuation Office Agency (VOA) in England and Wales, the Northern Ireland Land & Property Services Agency (NILPS) and the Republic of Ireland Valuation Office (IVO) in matters of common interest.

The planning for, and provision of, Electoral Registration services is assisted by guidance received from the Electoral Commission and the Electoral Management Board of Scotland and by representation within the Association of Electoral Administrators. The Cabinet Office has also become an important stakeholder in respect of Electoral Registration.

The Valuation Joint 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 WDC officials who support the Joint Board.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

4.0 CONCLUSION

1 April 2017 was the effective date for the 2017 Revaluation and so the major focus on the valuation side of our operations during the first 6 months of 2017/18 was the receipt logging and acknowledgement of Revaluation appeals. Appeal volumes are up on 2010 revaluation levels but, given the extensive and negative press reporting of the Revaluation, the increase was lower than might have been feared. The second half of the year saw the attention turn to disposal of appeals and at time of writing there is an intense effort to dispose of 'bulk category' appeals (shops, offices and industrial properties). Good progress is being made. The Revaluation preparations in 2016/17 had a clear impact on our general service delivery performance and it was pleasing to see that pro-activity in these areas of function during 2017/18 brought a return to levels of service which were comparable to our previous performance.

Maintenance of Council Tax Lists continued throughout the year and performance was maintained at high levels in respect of this function.

2017/18 was the second 'business as usual year' under the new IER regime and the systems are certainly settling down. The canvass return was marginally down on last year and the lower rates of return in the West Dunbartonshire area continue to be a source of concern. The total electorate has, however, continued to rise. Satisfactory registers were provided for the Scottish Local Government Election and the unexpected UK Parliamentary Election in June.

The Local Government Elections brought a new Joint Board together and a new Convenor and Vice Convenor were appointed. Their experience and knowledge of the Joint Board's functions has been of significant value in the transition to the new Board. One vacancy remains on the Board and it is to be hoped that West Dunbartonshire fill that in due course.

Thanks are due to all staff and management for their endeavour, effort and co-operation throughout the year. Similarly, thanks are due to the Joint Board, the outgoing Convenor and Vice Convenor for their advice and assistance over a period of several years and the new Convenor and Vice Convenor for their continued support.

Signed: David C. Linn
Assessor and Electoral Registration
Officer

Signed : Stephen West
Treasurer

Date: 26 September 2018

Date: 26 September 2018

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

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 has been 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

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

	Year ended 31 March 2018				2016/2017	
	Gross Salary, Fees & Allowances £	Bonuses £	Taxable Expenses £	Non-cash expenses & benefits in-kind £	Total remuneration £	Total remuneration £
David Thomson Assessor & Electoral Registration Officer	104,676	0	0	0	104,676	95,832
Robert Nicol Depute Assessor	83,459	0	0	0	83,459	76,707

The increase in gross salary payment is due to financial year 2017/18 having 14 salary payments within the tax year for employees paid on a 4 weekly cycle.

Notes

- The term *senior employee* means any Board employee:
 - Who has responsibility for the management of the local authority to the extent that the person has the power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons; 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 2018**

REMUNERATION REPORT (Cont'd)

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 Bands £	Number of Employees	
	2017/2018	2016/2017
50,000 to 54,999	0	2
55,000 to 59,999	2	0
75,000 to 79,999	0	1
80,000 to 84,999	1	0
85,000 to 89,999	0	1
95,000 to 99,999	0	1
100,000 to 104,999	1	0
Total	4	5

Pension Benefits

The term pension benefits covers in-year pension contributions for the employee by the Board and the named person's accrued pension benefits at the reporting date.

PENSION BENEFITS OF SENIOR EMPLOYEES

Table 3: In-year pension contributions (employers)

	For year to 31 March 2018 £	For year to 31 March 2017 £
David Thomson	18,503	17,108
Robert Nicol	14,803	13,686

Table 4: Accrued Pension Benefits

	Accrued pension benefits – pension		Accrued pension benefits – lump sum	
	For year to 31 March 2018 £	For year to 31 March 2017 £	For year to 31 March 2018 £	For year to 31 March 2017 £
David Thomson	43,625	41,285	84,491	83,656
Robert Nicol	27,230	25,444	44,625	44,184

REMUNERATION REPORT (Cont'd)

PENSION BENEFITS OF SENIOR EMPLOYEES (Cont'd)

1. The LGPS is a career average pension scheme. This means that pension benefits from 1 April 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 60 but are reduced if taken earlier than Normal Pension Age (State Pension Age). Pension benefits accrued before 1 April 2015 are protected and are based on final pay on retiring.
2. The lump sum, which is automatically paid when the person retires for service up to 31 March 2009, is three times his or her annual pension and is tax-free. There is no automatic lump sum for service after 31 March 2009. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004.
3. A member's contribution depends on his or her full-time equivalent pay and is payable at the rate on the following tranches of pay- up to and including £20,700 5.50%; above £20,700 and up to £25,300 7.25%; above £25,300 and up to £34,700 8.50%; above £34,700 and up to £46,300 9.50%; and above £46,300 12.00%.
4. The value of the accrued benefits in the above tables has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension age for members of the LGPS is 65.
5. 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.
6. 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.

Table 5: Exit Packages

Banding	Number of compulsory packages		Number of other departures		Total Number		Total cost	
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
£0 to £20,000	0	0	0	2	0	2	0	13,473
£20,001 to £40,000	0	0	0	0	0	0	0	0
£40,001 to £60,000	0	0	0	1	0	1	0	45,045
£60,001 to £80,000	0	0	0	1	0	1	0	77,539
TOTAL	0	0	0	4	0	4	0	136,057

There were no exit packages during financial year 2017/18.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

REMUNERATION REPORT (Cont'd)

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 Dunbartonshire and Argyll & Bute Valuation Joint Board during the year to 31 March 2018 are shown in the table below.

Trade Union Officials	Trade Union Representative
0	1
Percentage of Time Spent on Facility	
Percentage	Employees
Less <1	0
1 – 50%	1
51% - 99%	0
100%	0
Total cost of facility time	
£300	
Total pay bill	
£2,028,257	
Percentage of Pay Bill Spent on Facility Time	
0.015%	
Paid TU Activities	
100%	

Signed: David C. Lhoman
Assessor and Electoral Registration
Officer

Signed : Stephen West
Treasurer

Date: 26 September 2018

Date: 26 September 2018

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

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 one of its officers has the responsibility for the administration of those affairs. In this Board, that officer is the Treasurer and
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

I can confirm that the Annual Accounts were approved for signature by the Board at its meeting on 26 September 2018.

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



Assessor and Electoral Registration Officer

Date: 26 September 2018

The Treasurer's Responsibilities:

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

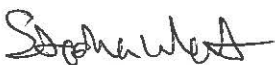
In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the local authority Code.

The Treasurer has also:

- kept proper 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 Annual Accounts give a true and fair view of the financial position of the Board at the reporting date and the transactions of Board for the year ended 31 March 2018.



Treasurer

Date: 26 September 2018

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

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

Dunbartonshire and Argyll & Bute Valuation Joint 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.

The Board has approved and adopted a Code of Corporate Governance (the Code), 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 Dunbartonshire and Argyll & Bute Valuation Joint 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, set the standard for local authority governance in the UK. This was reviewed and replacement framework was issued in 2016: Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016) to apply 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 Joint Board and the recommendation of our external auditors was that the Joint Board should include this process as part of its overall approach to governance.

At a meeting on 27 September 2017 the Board approved the proposal to develop a Local Code of Good Governance and to complete a self-assessment of the Joint Board's compliance with the CIPFA Delivering Good Governance Framework.

At a meeting on the 16th March 2018 the Board approved the Local Code of Good Governance which was developed by the Board's Management Team. The Board also noted completion of the above self-assessment, which will be repeated on an annual basis, and approved an Action Plan arising from the process. The Local Code of Good Governance and the Action Plan can be found at:

https://www.saa.gov.uk/dab-vjb/wp-content/uploads/sites/5/dlm_uploads/2018/03/2018-03-02-Documents-Pack-VJB-as-circulated.pdf

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 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.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

ANNUAL GOVERNANCE STATEMENT (Cont'd)

The Board's Governance Framework

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, accounts to its stakeholders.

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 Joint Board has a responsibility for ensuring the continuing effectiveness of its governance framework and its system of internal financial control. West Dunbartonshire Council's Audit and Risk Manager produces an annual audit plan based on a risk assessment of the Council's and Valuation Joint 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 Audit and Risk Manager. The Joint Board's external auditors also attend. The Audit and Risk Manager 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 Audit and Risk Manager 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 Joint 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 2018;
- the assessment of risk completed during reviews of the strategic audit plan;
- reports issued by the Valuation Joint Board's External Auditors and other review bodies; and
- knowledge of the Valuation Joint 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 Valuation Joint 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 Audit and Risk Manager stating that reasonable assurance can be placed upon the adequacy and effectiveness of the Joint Board's internal control system in the year to 31 March 2018.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

ANNUAL GOVERNANCE STATEMENT (Cont'd)

Performance Management

Examples of developments which have led to significant improvement in arrangements for control, governance or risk management within the Joint Board during 2017/18 include:

- A new 3-year Service Plan for the period 2018– 2021 was presented to the Board for approval at its meeting in June 2018;
- The Joint Board's Data Protection Policy, processes and procedures have been under review throughout 2017/18 and the Depute Assessor has received training which should allow him to carry out the duties of a Data Protection Officer. This will aid compliance with new General Data Protection Regulation (GDPR) regime which comes into effect in May 2018;
- A Local Code of Good Governance was approved and a self-assessment against the CIPFA/Solace "Delivering Good Governance in Local Government: Framework" was carried out, resulting in the establishment of a Governance Action Plan. This will be used to inform and support the Annual Governance Statement and help evidence the Joint Board's governance arrangements to auditors and stakeholders;
- To improve transparency and provide evidence of compliance with the seven principles of public life, a staff 'sign-off' of their individual compliance with the Joint Board's Code of Conduct for staff was completed;
- A review of the Board's Customer Satisfaction procedures was completed and implemented with effect from April 2018;
- A market review of insurance services and options available to the Joint Board was undertaken to provide assurance that best value was being achieved in the procurement of this service;
- All Joint Board meeting papers are now published on the DABVJB web site in advance of Board meetings;
- A Financial Strategy covering a 10 year period and presenting a number of scenarios was developed and approved in March 2018;
- To provide greater clarity to staff on dealing with (offers of) gifts and hospitality and (potential) conflicts of interest, revised Guidance was issued and improved processes for recording and reporting these were implemented; and
- The connectivity to the Joint Board's Campbeltown office was improved by completing the migration to fibre optic communications cabling. This has improved the capability and reliability of our ICT systems

The following areas were identified by the Assessor for further improvements in 2018/19:

- The Joint Board's Fraud and Defalcation Procedures and the associated Business Irregularities Procedures will be reviewed in line with WDC's revised approach;
- To ensure compliance with the new GDPR regime, a new Data Protection Policy will be implemented and a Data Protection Officer will be appointed. Subject Access Request, Data Protection Impact Assessment and data breach monitoring and reporting procedures will be implemented. Data Sharing Agreements will be completed with relevant partners and existing contracts with Data Processors will be reviewed. Privacy Notices will be provided to data subjects;
- A Communications Strategy will be developed to help ensure openness and comprehensive stakeholder engagement;
- A Workforce Plan, which takes an overview of staffing requirements into the future, will be developed and implemented;

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

ANNUAL GOVERNANCE STATEMENT (Cont'd)

Performance Management (Cont'd)

- Written definitions of the roles of the Joint Board's Clerk and Treasurer will be developed; and
- The Joint Board's Risk Management Strategy and Procedures will be reviewed and presented to the Joint Board in June 2018 for approval.

Assurance

On the basis of the assurance provided, we consider the governance and internal control environment operating during 2017/18 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.

Signed: David C. House
Assessor and Electoral Registration
Officer

Signed : Stephen West
Treasurer

Date: 26 September 2018

Date: 26 September 2018

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

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 2018**

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2016/17 Gross Expenditure £	2016/17 Gross Income £	2016/17 Net Expenditure £	Notes	2017/18 Gross Expenditure £	2017/18 Gross Income £	2017/18 Net Expenditure £
0	(5,065)	(5,065)		0	(10,360)	(10,360)
2,413,717	0	2,413,717		2,461,920	0	2,461,920
117,716	0	117,716	2	112,755	0	112,755
43,881	0	43,881		47,105	0	47,105
244,726	0	244,726		243,545	0	243,545
34,924	0	34,924		44,287	0	44,287
130,667	0	130,667		128,054	0	128,054
121,238	0	121,238		21,884	0	21,884
3,106,869	(5,065)	3,101,804	6/7	3,059,550	(10,360)	3,049,190
		(2,664,461)	15			(2,611,171)
		(93,760)	16			(70,321)
		(30,475)				(12,517)
		(2,788,696)				(2,694,009)
		313,108				355,181
		0				20
		(68)				
		150,000	4			194,000
		149,932				194,020
		463,040				549,201
		2,756,000	4			(4,711,000)
		559				0
		2,756,559				(4,711,000)
		3,219,599				(4,161,799)

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

MOVEMENT IN RESERVES STATEMENT

2017/18

	Usable Reserves		Unusable Reserves				Total Reserves £
	Fund Balance £	Capital Requisition Unapplied Account £	Capital Adjustment Account £	Revaluation Reserve £	Pension Reserve £	Statutory Mitigation Account £	
Opening Balance as at 1 April 2017	492,621	16,993	628,753	35,083	(7,254,000)	(16,029)	(6,096,579)
Movements in Reserves							
Surplus or (Deficit) on provision of Services	(549,201)	0	0	0	0	0	(549,201)
Other Comprehensive Income and Expenditure	0	0	0	0	4,711,000	0	4,711,000
Total Comprehensive Income and Expenditure	(549,201)	0	0	0	4,711,000	0	4,161,799
Adjustments between accounting basis & funding basis							
Depreciation/ Impairment	21,884	0	(21,884)	0	0	0	0
Pension Scheme Adjustment Adjustment between CAA and Revaluation Reserve for Depreciation that is related to Revaluation Balance rather than Historic Cost	597,000	0	0	0	(597,000)	0	0
Net Transfer to or from earmarked reserves required by legislation	1,271	0	0	0	0	(1,271)	0
Capital requisitions applied to fund capital expenditure	(12,517)	12,517	0	0	0	0	0
Capital requisitions unapplied adjustments between accounting basis and funding basis under regulations	0	0	0	0	0	0	0
Total Statutory Adjustments	607,638	12,517	(21,884)	0	(597,000)	(1,271)	0
Increase/Decrease in Year	58,437	12,517	(21,884)	0	4,114,000	(1,271)	4,161,799
Balance at 31 March 2018	551,058	29,510	606,869	35,083	(3,140,000)	(17,300)	(1,934,780)
Total Usable		580,568	Total Unusable			(2,515,348)	

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

MOVEMENT IN RESERVES STATEMENT

2016/17

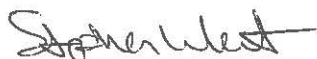
	Usable Reserves		Unusable Reserves				Total Reserves £
	Fund Balance £	Capital Requisition Unapplied Account £	Capital Adjustment Account £	Revaluation Reserve £	Pension Reserve £	Statutory Mitigation Account £	
Opening Balance as at 1 April 2016	613,423	19,993	717,356	34,802	(4,236,000)	(26,554)	(2,876,980)
Movements in Reserves							
Surplus or (Deficit) on provision of Services	(463,040)	0	0	0	0	0	(463,040)
Other Comprehensive Income and Expenditure	0	0	0	(559)	(2,756,000)	0	(2,756,559)
Total Comprehensive Income and Expenditure	(463,040)	0	0	(559)	(2,756,000)	0	(3,219,599)
Adjustments between accounting basis & funding basis							
Depreciation/ Impairment	121,238	0	(121,238)	0	0	0	0
Pension Scheme Adjustment	262,000	0	0	0	(262,000)	0	0
Adjustment between CAA and Revaluation Reserve for Depreciation that is related to Revaluation Balance rather than Historic Cost	0	0	(840)	840	0	0	0
Net Transfer to or from earmarked reserves required by legislation	(10,525)	0	0	0	0	10,525	0
Capital requisitions applied to fund capital expenditure	(30,475)	0	30,475	0	0	0	0
Capital requisitions unapplied adjustments between accounting basis and funding basis under regulations		(3,000)	3,000	0	0	0	0
Total Statutory Adjustments	342,238	(3,000)	(88,603)	840	(262,000)	10,525	0
Increase/Decrease in Year	(120,802)	(3,000)	(88,603)	281	(3,018,000)	10,525	(3,219,599)
Balance at 31 March 2017	492,621	16,993	628,753	35,083	(7,254,000)	(16,029)	(6,096,579)
Total Usable		509,614	Total Unusable		(6,606,193)		

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

BALANCE SHEET AS AT 31 MARCH 2018

31 March 2017 £	Notes		31 March 2018 £
658,646	6	Property, plant and equipment	638,435
5,523	7	Intangible Assets	3,851
<u>664,169</u>		Total Long Term Assets	<u>642,286</u>
593,013	8	Short Term Debtors	684,487
400	9	Cash and Cash Equivalents	400
<u>593,413</u>		Current Assets	<u>684,887</u>
(100,161)	10	Short Term Creditors	(121,953)
<u>(100,161)</u>		Current Liabilities	<u>(121,953)</u>
(7,254,000)	4	Net Pensions Liability	(3,140,000)
<u>(7,254,000)</u>		Long Term Liabilities	<u>(3,140,000)</u>
<u>(6,096,579)</u>		Net Assets/(Liabilities)	<u>(1,934,780)</u>
		Represented by:	
509,614	11/12	Usable Reserves	580,568
(6,606,193)	13	Unusable Reserves	(2,515,348)
<u>(6,096,579)</u>		Total Reserves	<u>(1,934,780)</u>

The unaudited Financial Statements were issued on 29 June 2018 and the audited Annual Accounts were authorised for issue on 26 September 2018.



**Treasurer
26 September 2018**

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

CASH FLOW STATEMENT

2016/17 £	Notes		2017/18 £
		Operating Activities	
(2,758,221)		Grants	(2,681,492)
(5,065)		Sale of goods and rendering of services	(10,360)
<u>(2,763,286)</u>		Cash Inflows from Operating Activities	<u>(2,691,852)</u>
2,321,735		Cash paid to and on behalf of employees	2,037,129
438,619		Other payments for operating activities	667,220
<u>2,760,354</u>		Cash Outflows from Operating Activities	<u>2,704,349</u>
<u>(2,932)</u>		Net Cash Flows from Operating Activities	<u>12,497</u>
		Investing Activities	
33,475		Purchase of Assets	0
(30,475)		Other receipts from investing activities	(12,517)
<u>3,000</u>		Net Cash Flows from Investing Activities	<u>(12,517)</u>
		Financing Activities	
(68)		Interest Received	0
0		Interest Payable	20
<u>(68)</u>		Net Cash Flows from Financing Activities	<u>20</u>
<u>0</u>		Net (Increase)/Decrease in Cash and Cash Equivalents	<u>0</u>
400	9	Cash and cash equivalents at the beginning of the reporting period	400
(400)	9	Cash and cash equivalents at the end of the reporting period	(400)
<u>0</u>			<u>0</u>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

NOTES TO THE ANNUAL ACCOUNTS

Note 1 - Accounting Policies

1. General Principles

The Annual Accounts summarise the Board's transactions for the 2017/18 financial year and its position at the year end of 31 March 2018. 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 2017/18 ("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 2018**

Note 1 - Accounting Policies (Cont'd)

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.

There has been a redistribution of costs within the CIES. The pension's interest cost within the Surplus or Deficit on the Provision of Services has increased with a corresponding reduction in actuarial (gains) or losses on pension assets and liabilities in Other Comprehensive Income and Expenditure. Essentially, the expected return on schemes assets that was credited to the Surplus or Deficit on the Provision of Services has been replaced with an equivalent figure using the discount rate.

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.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

Note 1 - Accounting Policies (Cont'd)

6. Intangible assets (Cont'd)

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.

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.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

Note 1 - Accounting Policies (Cont'd)

7. Property, Plant and Equipment (Cont'd)

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.

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.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

Note 1 - Accounting Policies (Cont'd)

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. Any accrual made is required under statute to be reversed out of the General Fund balance by a credit to the 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, projection of earnings for current employees, etc);
- Liabilities are discounted to their value at current prices using a discount rate of 4.3% (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.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

Note 1 - Accounting Policies (Cont'd)

8. Employee Benefits (Cont'd)

- The change in the net pensions 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;
 - 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. The negative balance that arises on the Pension Reserve measures the beneficial impact on the Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Discretionary Benefits

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

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

Note 1 - Accounting Policies (Cont'd)

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.

11. Provisions, contingent liabilities and contingent assets

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.

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.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

Note 1 - Accounting Policies (Cont'd)

11. Provisions, contingent liabilities and contingent assets (Cont'd)

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.

12. 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.

13. 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. 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 on page 45. 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 on page 45.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

Note 2 – Expenditure and Funding Analysis (Cont'd)

2017/18

	Net Chargeable to the General Fund £	Adjustments between Funding and Accounting Basis £	Net Expenditure in the Comprehensive Income and Expenditure Statement £
Employee Costs	2,057,649	404,271	2,461,920
Depreciation	0	21,884	21,884
Total	<u>2,057,649</u>	<u>426,155</u>	<u>2,483,804</u>

2016/17

	Net Chargeable to the General Fund £	Adjustments between Funding and Accounting Basis £	Net Expenditure in the Comprehensive Income and Expenditure Statement £
Employee Costs	2,312,242	101,475	2,413,717
Depreciation	0	121,238	121,238
Total	<u>2,312,242</u>	<u>222,713</u>	<u>2,534,955</u>

Note 3 – Operating Leases

Board as Lessor

The Board leases out property under operating leases to provide suitable affordable accommodation Alpha Pets. Alpha Pets lease was due to end on the 14 April 2016; however the company and the Board have a tacit relocation agreement.

The minimum lease payments in future years are:

31 March 2017		31 March 2018
£		£
1,800	Not later than one year	1,800
74	Later than one year and not later than five years	74
0	Later than five years	0
<u>1,874</u>		<u>1,874</u>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

Note 3 – Operating Leases (Cont’d)

Board as Lessee

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

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

31 March 2017		31 March 2018
£		£
5,298	Not later than one year	5,343
5,085	Later than one year and not later than five years	9,150
0	Later than five years	0
<u>10,383</u>		<u>14,493</u>

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 2017/18 is set at 19.3% and 2016/17 was 19.3%. In 2017/18, the Board paid an employer’s contribution of £0.271m (2016/17 £0.299m).

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 retirements. There was no Severance or Strain on the Fund Payments during financial year 2017/18 (2016/17: £136,057).

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

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

Note 4 – Defined Benefit Pension Schemes (Cont'd)

2016/17		2017/18
£000		£000
	Net cost of services	
418	Current service cost	590
0	Past service cost (including curtailments)	92
<u>418</u>		<u>682</u>
	Financing and investment Income and Expenditure	
150	Net Interest	194
<u>150</u>		<u>194</u>
568	Total post-employment benefit charged to the Surplus or Deficit on the provision of Services	876
(3,272)	Return on plan assets	(386)
	Actuarial gains and losses arising on changes in financial	
6,025	Assumptions	(1,369)
0	Changes in demographic assumptions	17
3	Actuarial gains and losses arising on experience assumptions	(2,973)
<u>3,324</u>	Total post-employment benefit charged to the comprehensive income and expenditure statement	<u>(3,835)</u>
	Movement in Reserves Statement	
<u>(568)</u>	Reversal of net charges made to surplus of deficit for post-employment benefits	<u>(876)</u>
	Actual amount charged against the General Fund balance in the year	
<u>306</u>	Employer contributions payable to Scheme	<u>279</u>

Pension Assets and Liabilities (Cont'd)

The underlying assets and liabilities for retirement benefits attributable to the Board as at 31 March 2018 are as follows:

	2017/18	2016/17
	£000	£000
Fair value of plan assets	21,221	20,419
Present Value of defined benefit obligations	(24,127)	(27,494)
Net (liabilities)/assets in the Strathclyde Pension Fund	<u>(2,906)</u>	<u>(7,075)</u>
<u>Present Value of Unfunded Liabilities</u>	(234)	(179)
Pre Local Government Reorganisation		
Net pension asset/(liability)	<u>(3,140)</u>	<u>(7,254)</u>

For the Strathclyde Local Government Pension Scheme at 31 March 2018 the Board has a net liability £2,906,000 and for the unfunded liabilities a net liability of £234,000. The Board's net liability of £3,140,000 at 31 March 2018 reflects the future obligations to fund retirement benefits. This represents a decrease in the net liability of £4,114,000 compared to the position at 31 March 2017.

The expected return on assets is based on long term future expected investment return for each asset class as at the beginning of the period. The expected rate of return is 6.0% as at 31/03/18, this is a decrease from 23.2% as at 31/03/17.

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.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

Note 4 – Defined Benefit Pension Schemes (Cont'd)

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

2016/17		2017/18
£000		£000
20,835	Opening balance	27,673
418	Current service cost	590
0	Past service cost (including curtailments)	92
730	Interest cost	723
109	Contributions by Members	100
6,025	Actuarial gains/losses in financial assumptions	(1,369)
3	Other Experience	(2,973)
(7)	Estimated unfunded benefits paid	(8)
(440)	Estimated benefits paid	(484)
0	Changes in demographic assumptions	17
27,673		24,361

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

2016/17		2017/18
£000		£000
16,599	Opening balance	20,419
3,272	Expected return on assets	386
580	Interest Income	529
109	Contributions by Members	100
299	Contributions by employer	271
7	Contributions in respect of unfunded benefits	8
(7)	Estimated unfunded benefits paid	(8)
(440)	Estimated benefit paid	(484)
20,419		21,221

The Valuation Joint Board's share of the pension funds asset at 31 March 2018 comprised:

Asset Category	31 March 2018			31 March 2017		
	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	4,895	13	4,908	7,494	4	7,498
Debt Securities	666	0	666	0	0	0
Private Equity	0	2,536	2,536	0	1,684	1,684
Real Estate	0	1,921	1,921	0	2,463	2,463
Investment funds and unit trusts	6,966	2,078	9,044	237	7,766	8,003
Derivatives	1	0	1	(2)	3	1
Cash and Cash Equivalent	1,092	1,053	2,145	736	34	770
Totals	13,620	7,601	21,221	8,465	11,954	20,419

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

Pension Assets and Liabilities (Cont'd)

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:

31/03/2017		31/03/2018
23.2%	Expected rate of return	
2.4%	Inflation/pension increase rate	6.0%
4.4%	Salary increase rate	2.4%
2.6%	Discount rate	3.6%
		2.7%

Mortality

Based on these assumptions, the average future life expectancies at the age of 65 are:

	Males	Females
Current pensioners	21.4 years	23.7 years
Future Pensioners	23.4 years	25.8 years

Sensitivity Analysis

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

	Approximate % increase to Employer Liability	Approximate monetary Amount (£000)
Rate for discounting fund liabilities (0.5% decrease)	10%	2,420
Rate of pension increase (0.5% increase)	7%	1,792

The total employer contributions expected to be made to the Local Government Pension Scheme for 2017/18 is £271,000.

Note 5 – External Audit Costs

In 2017/18 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:

2016/17		2017/18
£		£
7,000	Fees payable for external audit services	7,110
<u>7,000</u>		<u>7,110</u>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

Note 6 – Property, Plant and Equipment

<u>Figures 2017/18</u>	Land & Buildings £	Plant & Equipment £	Total £
Cost or Valuation			
As at 1 April 2017	620,846	142,365	763,211
Additions	0	0	0
As at 31 March 2018	620,846	142,365	763,211
Accumulated Depreciation and Impairment			
As at 1 April 2017	(3,511)	(101,054)	(104,565)
Depreciation Charge	(3,511)	(16,700)	(20,211)
As at 31 March 2018	(7,022)	(117,754)	(124,776)
Net Book Value at 31 March 2017	617,335	41,311	658,646
Net Book Value at 31 March 2018	613,824	24,611	638,435
<u>Comparative Figures 2016/17</u>	Land & Buildings £	Plant & Equipment £	Total £
Cost or Valuation			
As at 1 April 2016	916,743	133,891	1,050,634
Additions	25,000	8,474	33,474
Revaluation	(320,897)	0	(320,897)
As at 31 March 2017	620,846	142,365	763,211
Accumulated Depreciation and Impairment			
As at 1 April 2016	(219,289)	(86,049)	(305,338)
Depreciation Written out	219,289	0	219,289
Depreciation Charge	(3,511)	(15,005)	(18,516)
As at 31 March 2017	(3,511)	(101,054)	(104,565)
Net Book Value at 31 March 2016	697,454	47,842	745,296
Net Book Value at 31 March 2017	617,335	41,311	658,646
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. All valuations were carried out by West Dunbartonshire Council's Internal Valuer. 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 2018**

Note 7 – Intangible Assets

The Board accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include purchased licences.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Board. The useful lives assigned to software licences are: 5-10 years. The carrying amount of intangible assets is amortised on a straight-line basis

The movement on Intangible Asset balances during the year is as follows:-

2016/17		2017/18
£		£
	Balance at start of year:	
8,365	Gross carrying amount	8,365
(1,169)	Accumulated amortisation	(2,842)
<u>7,196</u>	Net carrying amount at start of year	<u>5,523</u>
0	Additions	0
(1,673)	Amortisation for the period	(1,673)
<u>5,523</u>	Net carrying amount at end of year	<u>3,850</u>
	Comprising:	
8,365	Gross carrying amounts	8,365
(2,842)	Accumulated amortisation	(4,515)
<u>5,523</u>		<u>3,850</u>

Note 8 – Debtors

2016/17		2017/18
£		£
64	Central Government Bodies	0
4,099	Other Entities and Individuals	5,380
588,850	Other Local Authorities	679,107
<u>593,013</u>		<u>684,487</u>

Note 9 – Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

2016/17		2017/18
£		£
400	Imprest	400
<u>400</u>		<u>400</u>

Note 10 – Creditors

2016/17		2017/18
£		£
3,635	Central Government Bodies	3,892
85,151	Other Entities and Individuals	101,344
11,375	Other Local Authorities	16,717
<u>100,161</u>		<u>121,953</u>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

Note 11 – 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.

	£
Opening Balance at 1 April 2017	492,621
Gains/(Losses) on the fund	58,437
Closing Balance at 31 March 2018	<u>551,058</u>

The revenue reserves balance stands at £551,058 on 31 March 2018, of which £156,659 has been applied to balance the 2018/19 budget, leaving an unearmarked balance of £394,399.

Note 12 – 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.

2016/17		2017/18
£		£
30,475	Contributions from Authorities	12,517
19,993	Unapplied Capital contributions b/forward	
		16,993
	Capital expenditure incurred during the year:	
(3,241)	Upgrade PC's	0
(5,234)	Servers	0
(25,000)	Purchase of Building	0
<u>16,993</u>	Unapplied Capital contributions c/forward	<u>29,510</u>

There was no capital expenditure during 2017/18 due to the delay in the implementation of the Eros DR server and the Flexi recording system. This delay was to allow the Board to reappraise the capability of their network following the installation of Bt.net at Campbeltown which went live during February 2018.

The purchase of laptops and PCs was delayed into 2018/19 due to issues with the approved supplier.

Note 13 – Unusable Reserves

31 March 2017		31 March 2018
£		£
628,753	Capital Adjustment Account	606,869
35,083	Revaluation Reserve	35,083
(7,254,000)	Pension Reserve	(3,140,000)
(16,029)	Statutory Mitigation Account	(17,300)
<u>(6,606,193)</u>	Total Unusable Reserves	<u>(2,515,348)</u>

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.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

Note 13 – Unusable Reserves (Cont'd)

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 requires 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. The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Board has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Statutory Mitigation Account

The 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.

Capital Requisition Unapplied Account

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

Note 14 – Contingent Assets & Liabilities

The Board has not identified any Contingent Assets and Liabilities.

Note 15 – Contributions from Authorities

Revenue 2016/17 £		Revenue 2017/18 £
1,300,789	Argyll & Bute Council	1,274,773
655,724	East Dunbartonshire Council	642,610
707,948	West Dunbartonshire Council	693,788
<u>2,664,461</u>		<u>2,611,171</u>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

Note 16 – Government Grants

The Board received a total of £70,321 of government grants in 17/18 to continue with the delivery of Individual Electoral Registration.

2016/17		2017/18
£		£
93,760	Cabinet Office	70,321
<u>93,760</u>		<u>70,321</u>

Note 17 – 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 15.

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

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 approved by the Accounts Commission, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Dunbartonshire and Argyll & Bute Valuation Joint Board for the year ended 31 March 2018 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 financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the 2017/18 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2017/18 Code of the state of affairs of Dunbartonshire and Argyll & Bute Valuation Joint Board as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2017/18 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)). 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 am independent of Dunbartonshire and Argyll & 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about 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 the date when the financial statements are authorised for issue.

Responsibilities of the Treasurer and Joint Board for the financial statements

As explained more fully in the Statement of Responsibilities, the Strategic Lead – Resources at West Dunbartonshire Council, as 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 he 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 deemed inappropriate.

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

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. This description forms part of my auditor's report.

Other information in the annual accounts

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

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

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

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

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

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.



Carol Hislop, CA
Senior Audit Manager
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

26 September 2018

