

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**



ANNUAL ACCOUNTS

FOR YEAR ENDED 31 MARCH 2021

AUDITED

NOVEMBER 2021

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

ANNUAL ACCOUNTS 2020/2021

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**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
MEMBERS AND OFFICIALS**

The Authority comprises 12 elected members: 3 each from Angus Council, Dundee City Council, Fife Council and Perth & Kinross Council. The under-noted Councillors have been nominated by their constituent Authorities to serve on the Joint Authority and the under-noted officers serve as officials of the Authority.
At the end of the financial year 2020/21, the Members and Officials of the Committee were:

Representing Dundee City Council

Councillor Will Dawson
Councillor Mark Flynn
Councillor Michael Marra



Representing Perth & Kinross Council

Councillor Roz McCall
Councillor Tom Gray
Councillor Willie Wilson



Representing Fife Council

Councillor Tim Brett
Councillor Karen Marjoram
Councillor Brian Thomson



Representing Angus Council

Councillor Bill Duff
Councillor Ron Sturrock
Councillor Bob Myles (Chairperson)



ACTING SDPA MANAGER Brenda Murray

CLERK Mr Roger W H Mennie LL.B (Hons), Dip L.P., Dundee City Council

TREASURER Mr Robert Emmott Bsc, CPFA, Dundee City Council

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**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
MANAGEMENT COMMENTARY**

INTRODUCTION

We are pleased to present the Annual Accounts for Dundee, Perth, Angus and North Fife Strategic Development Planning Authority (SDPA) for the year ended 31st March 2021. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/2021 (“the Code”). The Management Commentary provides a context for the annual accounts and an analysis of performance during the year.

Strategic Development Planning Authorities (SDPAs) have Joint Committees created by the Planning etc. (Scotland) Act 2006 and the Strategic Development Planning Authorities (SDPAs) Designation (No 3) (Scotland) order 2008 (SSI no 197). The Act's provisions came into force on 25 June 2008.

The Dundee, Perth, Angus and North Fife SDPA was established under the above Act consisting and operating on behalf of 4 Councils: Dundee City; Perth & Kinross; Angus; and Fife. The key role of the SDPA was to prepare and maintain an up to date Strategic Development Plan (SDP) for the area. This process involved engagement and consultation with a number of key stakeholder organisations and the wider community.

The first Strategic Development Plan was approved by Scottish Ministers on 8th June 2012. The Authority was required to review and submit a new Plan to Ministers within 4 years of date of approval i.e. by 8th June 2016. The new proposed plan was submitted to Scottish Ministers on 7th June 2016 and approved on 11 October 2017.

Alongside the Plan an Action Programme was prepared in collaboration with the SDPA's 13 Key Stakeholders. All of these public organisations agreed to the Programme's content (actions to deliver the Plan).

The Planning (Scotland) Act received Royal Assent on the 25 July 2019. The Act amends the Town and Country Planning (Scotland) Act 1997 (and subsequently the Planning etc. (Scotland) Act 2006) by removing the requirement to prepare Strategic Development Plans and the requirement for a Strategic Development Planning Authority. The Strategic Development Plan will therefore not form part of the Development Plan moving forward, and will be replaced by Regional Spatial Strategies (a long term strategy in respect of strategic development for an area) which are to be prepared without delay once the relevant provision of the Act comes into force. It had been forecast that it would take two years for the new planning system to be fully up and running, but this timetable has now been extended because of work that has had to be undertaken in response to Covid 19 and engagement that has had to be rescheduled or redesigned as a result of social distancing and travel restrictions.

During current and previous year, the SDPA had an establishment of two staff, a part-time Acting SDPA Manager and a Planning Officer. Professional, legal, financial and I.T. services were provided by Dundee City Council in its role as host authority. The Finance Officer had regular scheduled meetings with the Acting SDPA Manager to review the position in relation to both the local authority contributions and the SDPA administration budget, in accordance with the financial regulations agreed by the Joint Committee.

The Authority comprised 12 elected members: 3 each from Angus Council, Dundee City Council, Fife Council and Perth & Kinross Council. The Authority were supported by an officers group. Joint Committee Meetings were chaired by the Convener, on the following rotational basis:

Year	Convener	Vice Convener
2016	Perth & Kinross Council, Councillor Tom Gray	Angus Council, Councillor Rob Murray
2017	Angus Council, Councillor Ron Sturrock	Dundee City Council, Councillor Will Dawson
2018	Dundee City Council, Councillor Will Dawson	Fife Council, Councillor Karen Marjoram
2019	Fife Council, Councillor Karen Marjoram	Perth & Kinross Council, Councillor Roz McCall
2020	Perth & Kinross, Councillor Roz McCall	Angus Council, Councillor Bob Myles
2021	Angus Council, Councillor Bob Myles	Dundee City Council, Councillor Will Dawson

MANAGEMENT COMMENTARY (Continued)

MISSION, VISION AND STRATEGIC OBJECTIVES

The Strategic Development Plan 2016-2036 sets out the vision, principles and objectives for the Tay Cities region. The vision for the Tay Cities region states:-

“By 2036 the Tay Cities region will be sustainable, more attractive, competitive and vibrant without creating an unacceptable burden on our planet. The quality of life will make it a place of first choice where more people choose to live, work, study and visit, and where businesses choose to invest and create jobs.” The vision took into account the individual visions set out by each of the constituent councils in their Council Plans and Single Outcome Agreements.

The plan identifies four outcomes:-

- More people are healthier
- Through sustainable economic growth the region's image will be enhanced
- We live, work and play in better quality environments
- We live within Earth's environmental limits

All outcomes are supported by a number of different themes and policies, against which performance is monitored by the SDPA Board comprising the Heads of Planning of the 4 constituent Planning Authorities and the SDPA Manager. Progress is reported to the Joint Committee. This provides members with the opportunity to discuss and agree appropriate action.

REVIEW OF PERFORMANCE

Because of the Scottish Government's long standing intent to remove Strategic Development Plans from the Scottish planning system, officers have not progressed the drafting of a replacement Strategic Development Plan to that approved in 2017.

Key Outcomes for 2020/2021

Development Planning:

The approved SDPA Strategic Development Plan (2016) was approved on 11 October 2017 (per page 2). There will not be a direct replacement but rather the 4 Authorities will work together to input to the next National Planning Framework, and will produce a Regional Spatial Strategy, in line with statutory guidance to be prepared and issued by the Scottish Government.

During 2020/21 the focus has been on assembling various material to prepare an indicative Regional Spatial Strategy. An initial draft was submitted in October 2020, and following further engagement a revised indicative Regional Spatial Strategy was submitted in April 2021.

This reporting year has therefore seen the completion of all work necessary to comply with planning legislation.

In addition to progressing the indicative Regional Spatial Strategy consideration has also been given to future governance arrangements for Regional Planning. This work is aligned to the joint work in the Tay Cities Region and as such it has been agreed by both the SDPA Joint Committee and the Tay Cities Region Joint Committee that Governance arrangements should be simplified and merged. This will see the establishment of an additional Board to the Tay Cities region governance structure which currently has 5 Boards that each feed into the Management Group and the Joint Committee.

Work around the Tayside RSS is not considered to be a responsibility of the Tay Cities Project Management Office (PMO). It will remain the role of the Local Authorities to coordinate the RSS going forward. However, working within the existing governance structure of the Tay Cities Deal will provide additional opportunities for collaborative working and the opportunity for strategy to guide current and future projects and the development of these. A working group, within the local authorities, has also been recently re-established. This group will sit alongside the proposed 'Spatial Planning and Sustainability' board and will provide officer resource to undertake RSS work.

The approved governance structure means that the requirements currently in place under Section 4 of the Town and Country Planning (Scotland) Act 1997 will be met and there will be no further requirement for the Tayplan Joint Committee to meet and all decisions relating to the winding up of the Strategic Development Plan Authority (to be undertaken as and when the relevant parts of the 1997 Act are repealed) will be taken by the Tay Cities Joint Committee. To this end the 2020-2021 Annual Accounts will be the last accounts produced for TAYplan.

MANAGEMENT COMMENTARY (Continued)

No performance indicators have been specifically identified to measure financial performance. However, the SDPA agrees a budget in advance of each year at each committee meeting. The Acting SDPA Manager monitors the revenue budget on a 6 monthly basis with the support from Treasurer, which provides actual spend and a forecast for the year of income and expenditure. This allows regular and close scrutiny of activities against specific financial targets to take place and is considered adequate for the authority.

MANAGEMENT COMMENTARY (Continued)

FINANCIAL PERFORMANCE REVIEW

Revenue Expenditure

The control of the revenue expenditure of the Authority is an ongoing exercise which requires a positive contribution from the staff and members of the Authority and the Constituent Local Authorities to ensure that the Authority's financial objectives are achieved and those financial resources are effectively utilised.

The following table compares the budget and requisitions approved by the Authority to actual expenditure and income of the Authority.

	Approved Budget	Actual Expenditure/ (Income)	Variance
	£	£	£
Staff Costs	20,234	12,675	(7,559)
Supplies and Services	2,960	3,040	80
Transport Costs	250	-	(250)
Third Party Payments	20,000	66,722	46,722
Corporate and Democratic Core	6,600	6,500	(100)
Cost Of Services	50,044	88,937	38,893
Financing & Investment Income & Expenditure	(250)	(507)	(257)
(Surplus)/Deficit on Provision of Services before Requisition Income	49,794	88,430	38,636
Requisition Income	(20,000)	(20,000)	-
Total Comprehensive (Income) and Expenditure	29,794	68,430	38,636
IAS 19 Adjustments	-	2,108	2,108
Movement in General Fund Balance	29,794	70,538	40,744

The reasons for the main under/overspends are explained in the variance analysis below:

Third Party Payments (Overspend £46.7k)

Higher cost associated with the distribution of the general reserve fund. At the year end, the Authority transferred the remaining general reserve funds of £46,722 to Dundee City Council. Dundee City Council will discharge existing liabilities and collect amounts due to the Authority. After 31 March 2021, residual income and expenditure relating to the Authority will be administered by Dundee City Council. Thereafter, the balance of remaining funds will be distributed evenly amongst the four partner Councils as part of the winding-up arrangements.

Staff Costs (Underspend £7.5k)

This reflects lower than anticipated salaries payments due to the Planning Officer being on maternity leave during part of the financial year 2020/21. Since September 2016 there have been no costs associated with the Manager's post as the respective post holders have absorbed the function into their own substantive role.

Income (Over recovery £0.3k)

Higher income for interest on revenue balances in general reserve

MANAGEMENT COMMENTARY (Continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk facing the SDPA has been the uncertainty around the future of Strategic Development Plans. Now that the Planning (Scotland) Act 2019 has received Royal Assent, the principal uncertainty relates to the timing of implementation of various parts of the act relating to regional planning and the statutory guidance.

FUTURE DEVELOPMENTS

Future developments will generally be identified from the changes in legislation relating to regional planning and the removal of requirements for Strategic Development Plans and Strategic Development Planning Authorities. Close links are maintained with appropriate government departments which will ensure that arising issues are identified early enough to allow any appropriate action to be taken to re-position the SDPA and its activities.

CONCLUSION

Sound financial management and effective risk management have enabled the Authority to successfully manage its financial affairs during the financial year 2020/2021.

Despite uncertainties and significant challenges, operational performance continues and effective management of a committed staff will continue to ensure that the Authority is able to meet its objectives.

We wish to acknowledge the significant efforts and exceptional hard work of all staff in facing up to the challenges encountered and contributing to the Authority's successful operational performance, the staff whose financial stewardship has contributed to the Authority's financial position at 31st March 2021 and everyone involved in the preparation of the annual accounts.



Robert Emmott Bsc, CPFA
Treasurer
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
26 November 2021



Brenda Murray
Acting SDPA Manager
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
26 November 2021



Councillor Bob Myles
Convener
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
26 November 2021

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
ANNUAL GOVERNANCE STATEMENT**

Scope of Responsibility

Tayplan is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards. This is to ensure that public funds and assets at its disposal are safeguarded, properly accounted for and used economically, efficiently and effectively. The Authority also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Authority's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

To this end the Authority, through its constituent Councils, has approved and adopted a local Code of Corporate Governance that is consistent with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government. This statement explains how the Authority through utilisation of Dundee City Council's systems and procedures, delivers good governance and reviews the effectiveness of these arrangements.

The Joint Committee's Governance Framework

The governance framework comprises the systems, processes, cultures and values by which the Authority is directed and controlled. It also describes the way it engages with, accounts to and leads the local community. It enables the Authority to monitor the achievement of its objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services.

Within the overall control arrangements the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

The overall control arrangements include:

- Identification and monitoring of the Authority's strategic objectives.
- A systematic approach to monitoring service performance at elected member, senior officer and project level.
- Reporting performance regularly to the Authority.
- Clearly defined Standing Orders and Schemes of Administration covering Financial Regulations, Tender Procedures and Delegation of Powers.
- Formal revenue budget control systems and procedures.

The Executive Director of Corporate Services, Dundee City Council is Treasurer to the Authority and has complied fully with the principles set out in CIPFA's Role of the Chief Financial Officer in Local Government.

Review of Effectiveness

Members and officers of the Joint Committee are committed to the concept of sound governance and the effective delivery of the Authority's services and take into account comments made by external auditors and other review agencies and inspectorates and prepare actions plans as appropriate.

In addition the utilisation of the systems and procedures of Dundee City Council means that reliance can be placed on the effectiveness of their governance framework. This is reviewed annually by a working group of senior council officers and Chief Officers from each Council service complete a self-assessment of their own arrangements.

The annual review of effectiveness demonstrates sufficient evidence that the Code's principles of delivering good governance in local government operated effectively and the Authority complies with the Local Code of Corporate Governance in all significant respects.

ANNUAL GOVERNANCE STATEMENT (Continued)

Conclusion

Internal Audit did not conduct any audit work specifically on SDPA during 2020/21. Dundee City Council's Senior Manager – Internal Audit had provided an annual assurance statement to the SDPA's Joint Committee on 8th October 2021 which notes that "it is considered reasonable to conclude that the operational governance, risk management and control framework in place for SDPA (the Authority) is that of Dundee City Council's and therefore the assurances provided to Dundee City Council for 2020/21 can be mapped to SDPA for the purposes of informing its Annual Governance Statement. Dundee City Council's 2020/21 Annual Internal Audit Report, presented to the Council's Scrutiny Committee on 23rd June 2021, concluded that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and control for the year to 31 March 2021. On this basis we have concluded that there were no significant governance weaknesses which would impact on the SDPA's governance arrangements.



Brenda Murray
Acting SDPA Manager
26 November 2021



Cllr Bob Myles, Convener
Joint Committee
26 November 2021

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
ANNUAL REMUNERATION REPORT**

INTRODUCTION

The Authority is required to prepare and publish within its Annual Accounts an Annual Remuneration Report under the Local Authority Accounts (Scotland) Regulations 2014. The report sets out the remuneration of the Convener and Senior Employees of the Authority and accrued pension benefits of the Senior Employees. The report also provides information on the number of Authority employees (including Senior Employees) whose total actual remuneration was £50,000 or more, this information being disclosed in salary bandings of £5,000. The following report has been prepared in accordance with the aforementioned Regulations. All information disclosed in the table 1 at page 9 in this Remuneration Report has been audited by Audit Scotland. The other sections of the Remuneration Report have been reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

REMUNERATION ARRANGEMENTS

Convener

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2020 (Scottish Statutory Instrument No. 2020/26). The Regulations set out the remuneration payable to Councillors with the responsibility of a Convener or Vice Convener of a Joint Authority. The Regulations require the remuneration to be paid by the Council of which the Convener or Vice Convener is a member. The Council is also required to pay pension contributions arising from the Convener or Vice Convener being a member of the Local Government Pension Scheme.

There is no remuneration paid to the Convener and Vice- Convener of the Authority.

Senior Employees

The salaries of Senior Employees take account of the duties and responsibilities of their posts.

For the purposes of the Remuneration Report, the Regulations set out the following criteria for designation as a Senior Employee of the Authority:

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

The Authority has determined that staff filling the role of Acting SDPA Manager are deemed to be senior employees of the Authority.

The Regulations also require information to be published on the total number of Authority employees (including Senior Employees) whose total actual remuneration was £50,000 or more. This information is to be disclosed in salary bandings of £5,000. No employees of the Authority received remuneration of £50,000 therefore there is no disclosure required in 2020/2021 (or in 2019/2020). Remuneration of Senior Employees is shown in the table 1.

ANNUAL REMUNERATION REPORT (Continued)

TABLE 1 – REMUNERATION OF SENIOR EMPLOYEES

Employee Name	Post Title	Total Remuneration 2020/2021	Total Remuneration 2019/2020
		£	£
Kate Cowey	Former Acting Manager	-	-
Total		Nil	Nil

After 31 March 2021, Brenda Murray took over the role from Kate Cowey as Acting SDPA Manager.

There are no salaries costs associated with covering the Acting SDPA Manager's post during 2020/21 which is in line with the agreed report SDPA 1-2019 Section 5.9.

As part of winding-up arrangements, and as a result lighter workload for the core team, the Board have agreed that the Manager role will be filled on a temporary and part time basis. The post will be covered by existing Development Plan Managers from within the constituent Councils; it has been Angus Council over the period April 2018 – March 2021. There are no costs associated with the Manager's post as the respective Managers have absorbed the function into their own substantive role.

ANNUAL REMUNERATION REPORT (Continued)

ACCRUED PENSION BENEFITS

Pension benefits are provided through the Local Government Pension Scheme (LGPS) which is a career average related earnings (CARE) pension scheme. This means that pension benefits are based on the career average revalued pay and the number years that the person has been a member of the scheme

The scheme's normal retirement age for employees is 65.

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009, contribution rates were set at 6% for all non-manual employees. The member's contribution rates are as follows:

Whole Time Pay	Contribution Rate 2020/2021	Whole Time Pay	Contribution Rate 2019/2020
On earnings up to and including £22,200	5.5%	On earnings up to and including £21,800	5.5%
On earnings above £22,201 and up to £27,100	7.25%	On earnings above £21,800 and up to £26,700	7.25%
On earnings above £27,701 and up to £37,200	8.5%	On earnings above £26,700 and up to £36,600	8.5%
On earnings above £37,201 and up to £49,600	9.5%	On earnings above £36,600 and up to £48,800	9.5%
On earnings above £49,601	12%	On earnings above £48,800	12%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. Since April 2015 the LGPS changed to a defined benefit pension scheme worked out on a career average basis, on rate of 1/49th of the amount of pensionable pay you received in that scheme year. Pension benefits to 31 March 2015 are protected and paid on final leaving salary. Between April 2009 and March 2015 the accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

Convener

There were no pension contributions made by the Authority in respect of the Convener and the Vice Convener of the Authority.

Senior Employees

During 2020/21 there have been no salaries costs associated with the Acting Manager's post as the Service Leader Planning & Communities, Angus Council has absorbed the function into her role.

SENIOR EMPLOYEE ACCRUED PENSION BENEFITS

Employee Name	Post Title	Pension as at 31 March 2021	Lump sum as at 31 March 2021	Pension Contribution by Authority 2020/21
		£	£	
Kate Cowey	Former Acting Manager	Nil	Nil	Nil

The employing authority is responsible for all pension payments related to "added years" it has awarded, together with related increases. There were no awards in respect of staff seconded to SDPA.

ANNUAL REMUNERATION REPORT (Continued)

SENIOR EMPLOYEE ACCRUED PENSION BENEFITS

Employee Name	Post Title	Pension as at 31 March 2020 £	Lump sum as at 31 March 2020 £	Pension Contribution by Authority 2019/20
Kate Cowey	Former Acting Manager	Nil	Nil	Nil

In financial year 2019/20 and 2020/21 there have been no costs associated with the Acting Manager's post as the respective Manager has absorbed the function into her own substantive role.

Exit Packages

There were no exit packages in 2020/2021 (2019/2020 £Nil).



Brenda Murray
Acting SDPA Manager
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
26 November 2021



Councillor Bob Myles
Convener
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
26 November 2021

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS**

The Authority's responsibilities

The Authority 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 (section 95 of the Local Government (Scotland) Act 1973). In this Authority, that officer is the Treasurer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and

- approve the Audited Annual Accounts

I confirm that these Annual Accounts were approved for signature by the SDPA Joint Committee at its meeting on 26th November 2021.

Signed on behalf of SDPA Joint Committee



**Convener, Bob Myles
26 November 2021**

The Treasurer's responsibilities

The Treasurer is responsible for the preparation of the Authority's Annual Accounts in accordance with proper practices as required by legislation and set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 ('the Code of Practice').

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the Code of Practice (in so far as it is compatible with legislation).

The Treasurer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Annual Accounts give a true and fair view of the financial position of the Authority at the reporting date and the transactions of the Authority for the year ended 31 March 2021.



**Robert Emmott Bsc, CPFA
Treasurer
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
26 November 2021**

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
EXPENDITURE AND FUNDING ANALYSIS**

The objective of the Expenditure and Funding Analysis is to demonstrate how the funding available to the Joint Committee for the year has been used in providing services in comparison with those resources consumed or earned by the Joint Committee in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2019/2020				2020/2021		
Net Expenditure Chargeable to General Fund £	Adjustments between the funding and Accounting Basis £	Net Expenditure in the CIES £		Net Expenditure Chargeable to General Fund £	Adjustments between the funding and Accounting Basis £	Net Expenditure in the CIES £
Expenditure						
17,982	(124)	17,858	Staff Costs	14,783	(2,108)	12,675
2,960		2,960	Supplies & Services	3,040		3,040
10		10	Transport Costs	-		-
20,000		20,000	Third Party Payments	66,722		66,722
6,500		6,500	Corporate and Democratic Core	6,500		6,500
47,452	(124)	47,328	Net Cost of Services	91,045	(2,108)	88,937
(20,868)		(20,868)	Other Operating Income	(20,507)		(20,507)
26,584	(124)	26,460	Deficit	70,538	(2,108)	68,430
(97,122)			Opening General Reserve Balance	(70,538)		
26,584			Less Deficit on General Reserve Balance in Year	70,538		
(70,538)			Closing General Reserve Balance	-		

Note to the Expenditure and Funding Analysis

The difference between the General Reserve Deficit and Comprehensive Income and Expenditure Statement Deficit on the Provision of Services relates to the movement in the holiday pay accruals in 2020/21.

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

2019/20			2020/21				
Gross Expenditure	Gross Income	Net Expenditure / (Income)		Budgeted Net Expenditure / (Income)	Gross Expenditure	Gross Income	Net Expenditure / (Income)
£	£	£		£	£	£	£
			Expenditure				
17,858		17,858	Staff Costs	20,234	12,675		12,675
2,960		2,960	Supplies and Services	2,960	3,040		3,040
10		10	Transport Costs	250	-		-
20,000		20,000	Third Party Payments (note 13)	20,000	66,722		66,722
6,500		6,500	Corporate and Democratic Core	6,600	6,500	-	6,500
47,328		47,328	Cost Of Services	50,044	88,937		88,937
-	(868)	(868)	Financing and Investment Income (note 4)	(250)	-	(507)	(507)
47,328	(868)	46,460	Deficit on Provision of Services before Requisitions	49,794	88,937	(507)	88,430
	(20,000)	(20,000)	Requisition Income	(20,000)	-	(20,000)	(20,000)
47,328	(20,868)	26,460	Total Comprehensive (Income) and Expenditure	29,794	88,937	(20,507)	68,430

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
MOVEMENT IN RESERVES STATEMENT**

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and 'unusable reserves'. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Reserve Balance.

	General Reserve Balance £	Total Usable Reserves £	Unusable Reserves £	Total Authority Reserves £
Balance at 31 March 2019	97,122	97,122	(2,232)	94,890
<u>Movement in Reserves during 2019/2020</u>				
Total Comprehensive Expenditure and Income	(26,460)	(26,460)	-	(26,460)
Adjustments between accounting basis & funding basis under regulations	(124)	(124)	124	-
Decrease in 2019/2020	(26,584)	(26,584)	124	(26,460)
Balance at 31 March 2020 carried forward	70,538	70,538	(2,108)	68,430
<u>Movement in Reserves during 2020/2021</u>				
Total Comprehensive Expenditure and Income	(68,430)	(68,430)	-	(68,430)
Adjustments between accounting basis & funding basis under regulations (note 5)	(2,108)	(2,108)	2,108	-
Decrease in Year 2020/2021	(70,538)	(70,538)	2,108	(68,430)
Balance at 31 March 2021 carried forward	-	-	-	-

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category is usable reserves, i.e. those that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves. The second category is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

As at 31 March 2020 £		As at 31 March 2021 £
	Current Assets	
10,000	Short Term Debtors (note 16)	-
82,511	Cash Held By Dundee City Council (note 10)	-
92,511		-
	Less Current Liabilities	
(24,081)	Short Term Creditors (note 17)	-
68,430	Total Net Assets	-
	Represented By:	
70,538	Usable Reserves (note 6 and note 13)	-
(2,108)	Unusable Reserves (note 7)	-
68,430		-

The unaudited accounts were issued on 22nd June 2021 and the audited accounts were authorised for issue on 26th November 2021.



Robert Emmott Bsc, CPFA
Treasurer
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
26 November 2021

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
CASH FLOW STATEMENT**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents. 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 requisitions from Constituent Authorities. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2019/20		2020/21
£		£
(26,460)	Net surplus (or deficit) on the provision of services	(68,430)
<u>(170,966)</u>	Adjust net deficit on the provision of services for non cash movements (note 9)	<u>(14,081)</u>
(197,426)	Net increase(or decrease) in cash and cash equivalents (note 8)	(82,511)
<u>279,937</u>	Cash and cash equivalents at the beginning of the reporting period	<u>82,511</u>
<u>82,511</u>	Cash and cash equivalents at the end of the reporting period (note 10)	<u>-</u>

The cash balance is managed by Dundee City Council.

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

1 ACCOUNTING POLICIES

A General Principles

The Annual Accounts summarise the Authority's transactions for the 2020/2021 financial year and its position at the year-end of 31 March 2021. The Authority is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires that they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/2021 and the Service Reporting Code of Practice 2020/2021, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Annual Accounts is principally historical cost.

B Accruals of Income and Expenditure

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

- Expenses in relation to services received (including those rendered by the Authority's employees) are recorded as expenditure when the services are received, rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

C Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents comprise short term lending that is repayable on demand or within 3 months of the Balance Sheet date and that is readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement (page 17), cash and cash equivalents are repayable on demand and form an integral part of the Authority's cash management.

D 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 is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Annual Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

E Leases

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg if there is a rent-free period at the commencement of the lease).

F 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 Authority. Further information on the Authority's reserves is contained in notes 6 and 7.

G VAT

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

2 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Authority has had to make certain judgements in applying the accounting policies set out in Note 1 as part of winding-up arrangements.

The Planning (Scotland) Act 2019 has now received Royal Assent and work has started on implementing the various provisions of the Act. The Act removes the requirement for Strategic Development Planning Authorities and the requirement to prepare a Strategic Development Plan. No additional work will be undertaken in relation to TAYplan 3 and the SDPA has functioned to the cessation date at a minimal level to ensure it complied with its duty under the 1997 Planning Act. Therefore, as part of winding-up arrangements the Authority shall not prepare its financial statements on a going concern basis, instead the break-up basis of accounting has been used when preparing the annual accounts for 2020/2021.

3 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET BEEN ADOPTED

The deferral of implementation of IFRS 16 Leases to the 2022/23 Code of Practice has meant that the 2021/22 Code has not yet completed its full due process. There are no other relevant accounting standards that have been issued but that are not yet adopted in the 2021/2022 Code of Practice.

4 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2019/20 £		2020/21 £
(868)	Interest receivable and similar income	(507)
(868)	Total	(507)

5 MOVEMENT IN RESERVES STATEMENT - ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

	General Reserve Balance £	Movement in Unusable Reserves £	Total 2020/21 £
Movements in 2020/2021			
Adjustment involving the Accumulating Compensated Absences Adjustment Account:			
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(2,108)	2,108	-
Total Adjustments	(2,108)	2,108	-

	General Reserve Balance £	Movement in Unusable Reserves £	Total 2019/20 £
Comparative Movements in 2019/2020			
Adjustment involving the Accumulating Compensated Absences Adjustment Account:			
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(124)	124	-
Total Adjustments	(124)	124	-

6 BALANCE SHEET - USABLE RESERVES

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement on page 15.

7 BALANCE SHEET - UNUSABLE RESERVES

2019/20 £		2020/21 £
(2,108)	Accumulating Compensated Absences Adjustment Account	-
(2,108)	Total Unusable Reserves	-

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Reserve Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Reserve Balance is neutralised by transfers to or from the Account.

2019/20		2020/21
£		£
(2,232)	Balance at 1 April	(2,108)
2,232	Settlement or cancellation of accrual made at the end of the preceding year	2,108
(2,108)	Amounts accrued at the end of the current year	-
124	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2,108
(2,108)	Balance at 31 March	-

8 NET CASH FLOW FROM OPERATING ACTIVITIES

The net cash outflows from operating activities of £82,511 (2019/2020 net cash outflows £197,426) include the following items:

31 March 2020		31 March 2021
£		£
868	Other Receipts from finance activities	507

9 NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICE FOR NON CASH MOVEMENTS

2019/20		2020/21
£		£
(10,000)	Movement in short term debtors	10,000
(160,966)	Movement in short term creditors	(24,081)
(170,966)	Total	(14,081)

10 CASH FLOW STATEMENT - CASH AND CASH EQUIVALENTS

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

31 March 2020		31 March 2021
£		£
82,511	Cash managed by Dundee City Council	-
82,511	Total cash and cash equivalents	-

11 MEMBERS ALLOWANCES

In 2020/2021 the Authority there were no payments made for Members Allowances (2019/2020 None)

12 EXTERNAL AUDIT COSTS

Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Authority is required to submit statutory accounts for audit. The Accounts Commission has advised that the auditor of the Authority will be Audit Scotland. The total fee payable to Audit Scotland for 2020/2021 for external audit services is £3,040 (2019/2020 £2,960).

13 EVENTS AFTER THE BALANCE SHEET DATE

At the year end, the Authority transferred the remaining general reserve funds of £46,722 to Dundee City Council. Dundee City Council will discharge existing liabilities and collect amounts due to the Authority. After 31 March 2021, residual income and expenditure relating to the Authority will be administered by Dundee City Council. Thereafter, the balance of remaining funds will be distributed evenly amongst the four partner Councils as part of the winding -up arrangements.

There were no other events that occurred between 1 April 2021 and 26 November 2021 that would have an impact on the 2020/2021 financial statements (2019/2020 none). The latter date is the date on which the accounts were authorised for issue by the Treasurer.

14 RELATED PARTIES

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Angus, Dundee City, Perth & Kinross and Fife Councils are considered to be related parties of the Strategic Development Planning Authority, in terms of the Accounting Code of Practice. During the 2020/2021 financial year, the Authority entered into the following transactions with these four Councils as detailed below:

2019/2020			2020/2021	
Income From £	Charges From £		Income From £	Charges From £
Angus Council				
5,000	-	Local Authority Contribution	5,000	-
-	<u>5,000</u>	Contribution Rebate	-	<u>5,000</u>
<u>5,000</u>	<u>5,000</u>		<u>5,000</u>	<u>5,000</u>
Dundee City Council				
5,000	-	Local Authority Contribution	5,000	-
868	-	Interest On Revenue Balances	507	-
-	6,500	Corporate Services	-	6,500
-	5,000	Contribution Rebate	-	5,000
-	-	General Reserve funds transfer	-	<u>46,722</u>
<u>5,868</u>	<u>11,500</u>		<u>5,507</u>	<u>58,222</u>
Perth & Kinross Council				
5,000	-	Local Authority Contribution	5,000	-
-	<u>5,000</u>	Contribution Rebate	-	<u>5,000</u>
<u>5,000</u>	<u>5,000</u>		<u>5,000</u>	<u>5,000</u>
Fife Council				
5,000	-	Local Authority Contribution	5,000	-
-	<u>5,000</u>	Contribution Rebate	-	<u>5,000</u>
<u>5,000</u>	<u>5,000</u>		<u>5,000</u>	<u>5,000</u>

The undernoted balance existed between the Authority and its related parties as at 31 March 2021.

31 March 2020			31 March 2021	
Amounts Due from	Amounts Due To		Amounts Due From	Amounts Due To
£	£		£	£
-	(2,892)	Dundee City Council	-	-
-	5,000	Perth & Kinross Council	-	-
-	5,000	Angus Council	-	-
-	<u>5,000</u>	Fife Council	-	-
-	<u>12,108</u>		-	-

15 LEASES

Finance Leases

The Authority held no assets on finance lease during 2020/2021 and accordingly, there were no finance lease rentals paid to lessors during 2020/2021 (2019/2020 Nil). The Authority has no commitments to making payments to lessors in respect of finance leases.

Operating Leases

There was no rental payment made for Operating lease during 2020/2021 (2019/2020 £Nil).

In respect of operating leases, the Authority has no commitments to making payments to lessors, the lease for the office accommodation expired on 6th July 2018.

16 SHORT TERM DEBTORS

	31 March 2020 £	31 March 2021 £
Local Authorities contributions' balance	<u>(10,000)</u>	-
Total	(10,000)	-

Dundee City Council will collect amounts due to the Authority as part of winding-up arrangements (note 13).

17 SHORT TERM CREDITORS

	31 March 2020 £	31 March 2021 £
Local Authorities contributions' balance	22,108	-
Other entities and individuals	<u>1,973</u>	-
Total	24,081	-

Dundee City Council will discharge existing liabilities relating to the Authority as part of winding-up arrangements (note 13).

18 CONTINGENT LIABILITIES

No contingent liabilities existed at 31 March 2021 (31 March 2020 none).

19 CONTINGENT ASSETS

No contingent assets existed at 31 March 2021 (31 March 2020 none).

20 DEFINED BENEFIT PENSION SCHEMES

Staff were entitled to be members of the Superannuation Scheme which is administered by Dundee City Council. This provides staff with defined benefits upon their retirement, and the SDPA contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

In line with sections 6.4.1.7 – 6.4.1.8 of the Code, in certain circumstances an authority whose pension plan provides defined benefit pension benefits to its employees is required to account for the pension plan as if it were a defined contribution plan. This includes if an authority is not able to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes. The Authority, as a Joint Committee participating in the Local Government Pension Scheme and preparing its accounts in accordance with the Code, meets this criteria.

The employing authority is responsible for all pension payments related to “added years” it has awarded, together with related increases. There are no awards in respect of staff seconded to SDPA.

In 2020/2021, the SDPA reimbursed Dundee City Council £3,362 (£3,234 in 2019/20) in respect of superannuation contributions representing 17% of pensionable pay.

Independent Auditor's Report

Independent auditor's report to the members of Dundee, Perth, Angus and North Fife Strategic Development Authority and the Accounts Commission

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 Dundee, Perth, Angus and North Fife Strategic Development Authority for the year ended 31 March 2021 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Expenditure and Funding Analysis, 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 2020/21 (the 2020/21 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of Dundee, Perth, Angus and North Fife Strategic Development Authority as at 31 March 2021 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 2020/21 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 June 2021. This is the first year of my appointment. I am independent of Dundee, Perth, Angus and North Fife Strategic Development Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Dundee, Perth, Angus and North Fife Strategic Development Authority. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter: Basis of accounting

I draw attention to Note 2 in the financial statements, Critical Judgements In Applying Accounting Policies, which explains why the use of the going concern basis of accounting was not appropriate for the preparation of the financial statements in the annual accounts of Dundee, Perth, Angus and North Fife Strategic Development Authority for the year ended 31 March 2021, and that the break-up basis of accounting has been used instead. My opinion is not modified in respect of this matter.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Treasurer and Dundee, Perth, Angus and North Fife Strategic Development Authority for the financial statements

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as they determine 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 Dundee, Perth, Angus and North Fife Strategic Development Authority'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.

Dundee, Perth, Angus and North Fife Strategic Development Authority is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- obtaining an understanding of the applicable legal and regulatory framework and how Dundee, Perth, Angus and North Fife Strategic Development Authority is complying with that framework;
- identifying which laws and regulations are significant in the context of Dundee, Perth, Angus and North Fife Strategic Development Authority;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Dundee, Perth, Angus and North Fife Strategic Development Authority's controls, and the nature, timing and extent of the audit procedures performed.

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

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

Reporting on other requirements

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

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

Statutory other information

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

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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

Richard Smith

**Richard Smith CPFA
Senior Audit Manager
4th Floor, 8 Nelson Mandela Place
Glasgow, G2 1BT**

26 November 2021