

Registers of Scotland

2021/22 Annual Audit Report



Prepared for Registers of Scotland and the Auditor General for Scotland

July 2022

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Key messages

2021/22 annual report and accounts

- 1 Our audit opinions on the annual report and accounts are unmodified.
- 2 Expenditure and income in the financial statements was incurred or applied in accordance with applicable enactments and guidance issued by Scottish Ministers.

Financial management and sustainability

- 3 Registers of Scotland has appropriate and effective financial management in place with regular budget monitoring reports provided to the board.
- 4 Controls within the main financial systems are operating effectively while standards for the prevention and detection of fraud remain appropriate.
- 5 Registers of Scotland has robust medium-term financial planning arrangements in place.
- 6 In 2021/22 Registers of Scotland's income exceeded expenditure enabling it to become a net contributor to the Scottish Consolidated Fund ahead of schedule.

Governance, transparency and value for money

- 7 Registers of Scotland has appropriate and effective governance arrangements in place.
- 8 We have concluded that Registers of Scotland operates in an open and transparent manner. The website provides easy access to key information including Board minutes and papers.
- 9 The performance report in the annual report and accounts has significantly improved in recent years.
- 10 Registers of Scotland has appropriate high-level arrangements in place to help it achieve best value including a well-developed performance management framework which supports the Corporate Plan.

Introduction

1. This report summarises the findings from our 2021/22 audit of Registers of Scotland. The scope of our audit was set out in our Annual Audit Plan presented to the May 2022 meeting of the Audit and Risk Committee. This report comprises the findings from our audit of the body's annual report and accounts and consideration of the wider dimensions that frame the scope of public audit set out in the [Code of Audit Practice 2016](#).

2. The main elements of our work in 2021/22 includes:

- an audit of Register of Scotland's 2021/22 annual report and accounts including the issue of an independent auditor's report setting out our opinions
- a review of Register of Scotland's key financial systems
- consideration of the four audit dimensions.

3. As highlighted in our Annual Audit Plan, in common with all public bodies, Registers of Scotland continues to deal with the operational and financial impact of the Covid-19 pandemic and there remains major challenges across a range of areas. Risks related to the pandemic were included in our Annual Audit Plan and we have adapted our planned audit work to address any new emerging risks.

Adding value through the audit

4. We add value to Registers of Scotland by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations for improvement
- sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

Responsibilities and reporting

5. Registers of Scotland has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing an annual report and accounts that are in accordance with the account's direction from the Scottish Ministers. Registers of Scotland is also responsible for establishing appropriate and effective arrangements for governance, propriety, and regularity.

6. Our responsibilities as independent auditor appointed by the Auditor General for Scotland are established by the Public Finance and Accountability (Scotland) Act 2000 and the [Code of Audit Practice 2016](#), International Standards on Auditing in the UK and supplementary guidance.

7. As public sector auditors we give independent opinions on the annual report and accounts. Additionally, we conclude on the financial management and arrangements for securing financial sustainability, the suitability and effectiveness of corporate governance arrangements and the appropriateness and effectiveness of the performance management arrangements.

8. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#) and supplementary guidance.

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

10. Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes actions from last year and the progress that has been made.

Auditor Independence

11. Auditors appointed by the Auditor General must comply with the [Code of Audit Practice 2016](#) and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies.

12. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and the 2021/22 audit fee of £54,990 as set out in our 2021/22 Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

13. This report is addressed to both Registers of Scotland and the Auditor General for Scotland and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

Audit appointment from 2022/23

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

15. The procurement process for the new round of audit appointments was completed in May 2022. From financial year 2022/23, Deloitte will be the appointed auditor for Registers of Scotland. We will work closely with the new auditors to ensure a well-managed transition.

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

Acknowledgement

17. We would like to thank all current and former Board members, Audit and Risk Committee members and officers, particularly those in finance, for their co-operation and assistance over the last six years.

1. Audit of 2021/22 annual report and accounts

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

Main judgements

Our audit opinions on the annual report and accounts are unmodified.

Expenditure and income in the financial statements was incurred or applied in accordance with applicable enactments and guidance issued by Scottish Ministers.

The audited part of the remuneration and staff report, performance report and governance statement were consistent with the financial statements and prepared in accordance with relevant legislation and directions made by Scottish Ministers.

Our audit opinions on the annual report and accounts are unmodified

18. The annual report and accounts for the year ended 31 March 2022 were approved by the board on 13 September 2022. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- expenditure and income were regular and in accordance with applicable enactments and guidance issued by Scottish Ministers
- the audited part of the remuneration and staff report, performance report and governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant legislation and directions made by Scottish Ministers.

The full unaudited annual report and accounts were provided later than originally agreed but were of a good standard

19. The unaudited financial statements were provided on the 30 May 2022, with the unaudited annual report being provided on the 6 June 2022. The complete set of the unaudited annual report and accounts were provided on the 17 June 2022. Whilst this was later than the agreed timetable, it did not have a significant impact on the audit fieldwork.

20. We would like to highlight the improvement in recent years in the focus and overall readability of the performance report which I would now highlight to others as a good practice example.

21. Registers of Scotland and the audit team continued to work remotely during the audit. This presents additional challenges in resolving queries and providing supporting evidence. Overall, the arrangements worked well and we would like to thank the finance team for their work and assistance in delivering the audit under difficult circumstances.

Overall materiality was revised on receipt of the unaudited annual report and accounts to £0.806 million

22. Our initial assessment of materiality (£0.964 million) was carried out during the planning phase of the audit. This was reviewed and revised to £0.806 million on receipt of the unaudited annual report and accounts and is summarised in [Exhibit 1](#). The revised materiality did not result in a significant change in our audit approach as it did not change the overall assessment of material account areas.

Exhibit 1 Materiality values

Materiality level	Amount
Overall materiality: This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements.	£0.806 million
Performance materiality: This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered.	£0.524 million
Reporting threshold: We are required to report to those charged with governance on all unadjusted misstatements in excess of the 'reporting threshold' amount.	£40,000

Source: Audit Scotland

Appendix 2 identifies the main risks of material misstatement and our audit work to address these

23. [Appendix 2](#) provides our assessment of risks of material misstatement in the annual report and accounts and any wider audit dimension risks. These risks influence our overall audit strategy, the allocation of resources to the audit and indicate how the efforts of the audit team were directed. [Appendix 2](#) also identifies the work we undertook to address these risks and contains our overall conclusions from this work.

We have significant findings to report on the annual report and accounts

24. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices. The significant findings are summarised in [Exhibit 2](#).

Exhibit 2

Significant findings from the audit of financial statements

Issue	Resolution
<p>1. Classification of dilapidations</p> <p>A current provision of £0.750 million to cover the dilapidation costs for the leased offices at St Vincent Plaza was recognised in the unaudited annual report and accounts. This is a 15-year operating lease which is due to end in January 2031 with a break clause in January 2026. As the remaining lease term is greater than 12 months, this should have been accounted for as a non-current provision.</p> <p>Finance staff have assessed the impact of this adjustment and concluded that there is no impact on the valuation of the provision.</p>	<p>The financial statements have been adjusted to move the provision from current to non-current.</p> <p>There is no impact on the overall financial position.</p>
<p>2. Debit balance in trade payables</p> <p>An invoice for £0.265 million for prepaid services was accounted for as a debit balance in trade payables. However, this should have been accounted for as a prepayment.</p> <p>The impact of this is to increase both trade receivables and trade payables on the statement of financial position by £0.265 million.</p>	<p>The financial statements have been adjusted.</p> <p>There is no impact on the overall financial position.</p>
<p>3. Incorrect percentage applied in the unit costs for Work in Progress</p> <p>During 2021/22, Registers of Scotland streamlined the work in progress calculation. As part of this process, management reviewed and revised the percentages to be applied when calculating the unit cost for each stage of the process. However, the most up to date percentage had not been applied for the year-end calculation.</p> <p>The impact of this is to increase both administration costs on the statement of comprehensive income and expenditure and inventories on the statement of financial position by £0.069 million.</p>	<p>The financial statements have been adjusted.</p>

Issue	Resolution
<p>4. Holiday pay accrual hourly rates</p> <p>The calculation of the holiday pay accrual included the incorrect average hourly rates.</p> <p>The impact of this is to decrease both staff costs on the statement of comprehensive income and expenditure and trade payables on the statement of financial position by £0.051 million.</p>	The financial statements have been adjusted.

Source: Audit Scotland

25. Our audit identified several presentational and disclosure issues which were discussed with management. These were adjusted and reflected in the audited annual report and accounts. This is normal audit practice and none of the presentational changes have any impact on Register of Scotland's net outturn for the year.

We identified one monetary error above our performance materiality threshold which has been adjusted, due to the nature of this error we did not need to revise our audit approach

26. As detailed in [Exhibit 2](#) we identified a classification misstatement of £0.750 million which exceeded our performance materiality threshold. We are satisfied that this is an isolated issue and does not indicate a further systemic error. We did not need to revise our audit approach.

27. It is our responsibility to request that all misstatements, other than those below the reporting threshold, are corrected, although the final decision on making the correction lies with those charged with governance considering advice from senior officers and materiality. Management have adjusted all identified misstatements and there are no unadjusted errors to report.

28. The impact of all adjustments to the audited annual report and accounts was to increase the net outturn in the Statement of Comprehensive Income and Expenditure by £0.009 million and decrease net liabilities in the Statement of Financial Position by £0.009 million.

Good progress was made on prior year recommendations

29. Registers of Scotland has made good progress in implementing our prior year audit recommendations as set out in [Appendix 1](#).

2. Financial management

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively

Main judgements

Registers of Scotland has appropriate and effective financial management in place and operated within its revised budget in 2021/22.

Controls within the main financial systems were operating effectively while standards for the prevention and detection of fraud remain appropriate.

Registers of Scotland operated within its revised budget in 2021/22

30. The main financial objective for Registers of Scotland is to ensure that the financial outturn for the year is within the budget allocated by Scottish Ministers. Registers of Scotland has reported an outturn of (£4.495 million) against its overall budget for 2021/22, including annual managed expenditure (AME) of £20.994 million resulting in an underspend of £25.489 million. The financial performance against Departmental Expenditure Limits (DEL) is shown in [Exhibit 3](#).

Exhibit 3 Performance against fiscal resource in 2021/22

Performance	Initial budget £m	Final budget £m	Outturn £m	Over/(under) spend £m
Capital DEL	3.000	7.473	9.075	1.602
Resource DEL	22.217	5.429	(7.302)	(12.731)
Total	25.217	12.902	1.173	(11.129)

Source: Registers of Scotland Annual Report and Accounts 2021-22

Budget processes were appropriate and effective and Registers of Scotland became a net contributor to the Scottish Consolidated Fund ahead of the original schedule

31. The Registers of Scotland's budget was decreased from £25.217 million to £12.902 million as part of the Autumn and Spring Budget revisions. The decrease in budget, was due to the housing market recovering to pre-pandemic levels alongside reductions in Registers of Scotland's operating costs. Fee income for all registers, both statutory and non-statutory, exceeded expectations enabling Registers of Scotland to become a net contributor to the Scottish Consolidated Fund ahead of schedule.

32. During the audit process we observed that senior management and the board continued to receive regular and accurate financial information on the financial position to help inform decision making.

Financial systems of internal control are operating effectively

33. Our management letter, presented to the Audit and Risk Committee on 10 May 2022, detailed our findings from the review of the main systems of internal control. We concluded that the controls tested were operating effectively. No significant internal control weaknesses were identified during the audit which could affect Registers of Scotland's ability to record, process, summarise and report financial and other relevant data to result in a material misstatement in the financial statements.

Standards of conduct and arrangements for the prevention and detection of fraud and error are appropriate

34. There are appropriate arrangements for the prevention and detection of fraud, error, and irregularities. Registers of Scotland is responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery, and corruption. Furthermore, the Executive Management Team, with the advice of the Board is responsible for ensuring that its affairs are managed in accordance with proper standards of conduct by putting effective arrangements in place.

35. We have reviewed the arrangements in place to maintain standards of conduct including the Staff Handbook and Civil Service Codes of Conduct. There are established procedures for preventing and detecting any breaches of these standards including any instances of corruption.

36. The National Fraud Initiative (NFI) is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. [Exhibit 4](#) summarises the result for Registers of Scotland.

Exhibit 4
NFI activity

384
Matches



104
**Recommended for
investigation**



384
**Completed / closed
investigations**

Source: NFI secure website: www.nfi.gov.uk

- 37.** All matches from the 2020/21 NFI exercise have been investigated by Registers of Scotland with no frauds or errors identified. The outcomes of the 2020/21 NFI exercise were reported to the Audit and Risk Committee in February 2021. Overall, Registers of Scotland's demonstrates a good level of engagement with the NFI process.

3. Financial sustainability

Financial Sustainability looks forward to the medium and long term to consider whether a body is planning effectively to continue to deliver its services

Main judgements

Registers of Scotland has robust medium-term financial planning arrangements in place which reflect the ongoing recovery from the Covid-19 pandemic.

In 2021/22 Registers of Scotland's income exceeded expenditure enabling it to become a net contributor to the Scottish Consolidated Fund ahead of schedule.

There are robust medium-term financial planning arrangements in place

38. This the second year that Registers of Scotland's budget is determined in the Scottish Government's annual budget cycle. Registers of Scotland continues to develop medium-term planning to support the delivery of their four strategic objectives.

39. During 2021/22, the income Registers of Scotland generated was significantly more than the prior year due to the impact on fees of the recovery of the housing market to pre-pandemic levels. Fee income for all registers, both statutory and non-statutory, exceeded expectations. Alongside this, Registers of Scotland are continuing to reduce operating costs from implementing new ways of working. As a result of this, Registers of Scotland became a net contributor to the Scottish Government ahead of the original schedule. There is now an opportunity for Registers of Scotland to fully review longer-term financial plans to reflect on strong market conditions and new ways of working.

Recommendation 1

Given the strong performance in 2021/22 Registers of Scotland should revise the medium-term financial planning arrangements, in consultation with the Scottish Government, to support proactive longer-term financial management.

40. The corporate plan sets out high-level financial forecasts for the next four years as shown in [Exhibit 5](#). The approach to full cost recovery is an important principle as it supports Registers of Scotland to continue to contribute to the Scottish Consolidated Fund.

Exhibit 5
Financial forecasts

Performance	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m
Income	91.8	91.6	90.3	91.0
Salary costs	71.9	71.5	67.2	59.0
Non-salary costs	18.3	18.1	18.0	18.0
Total expenditure	90.2	89.6	85.2	77.0
Net resource expenditure	1.6	2.0	5.1	13.9

Source: Registers of Scotland Corporate Plan 2021-2026

4. Governance and transparency

The effectiveness of scrutiny and oversight, and transparent reporting of information

Main judgements

Registers of Scotland has appropriate and effective governance arrangements in place.

We have concluded that Registers of Scotland operates in an open and transparent manner. The website provides easy access to key information including Board minutes and papers.

The governance arrangements and controls appropriate

41. We reported in our 2020/21 Annual Audit Report that some of the governance arrangements were impacted by the Covid-19 pandemic including:

- The Board, Audit and Risk Committee and executive groups meetings were changed to online / video meetings with the frequency of meetings reviewed and adjusted to support decision making.
- Registers of Scotland worked with key stakeholders, such as the Law Society of Scotland, to put legislation and interim solutions in place to enable property transactions and registration to continue remotely. This included solutions allowing submissions of applications for registration and advance notices to done digitally.
- Laptops were configured and issued to staff to enable them to work from home.

42. Staff have continued to be supported to work well remotely with equipment, toolkits and information being made available. A small number of office-dependent workers were joined by early returner staff this year with the aim to improve their environment or wellbeing through access to premises in Edinburgh or Glasgow. This was prior to the premises being fully reopened to all colleagues by the end of the financial year.

43. Our audit work has confirmed that the governance arrangements are appropriate and support robust scrutiny and challenge of decision-making processes.

Registers of Scotland is open and transparent in the way it conducts its business

44. Openness and transparency in how a body operates and makes decisions is key to supporting understanding and scrutiny. Transparency means that the public have access to understandable, relevant, and timely information about how the board is taking decisions and how it is using resources such as money, people and assets.

45. The Registers of Scotland website is clear and well structured. Board minutes and papers are available to the public along with key publications including the corporate plan, KPI updates and equalities mainstreaming report.

46. The equalities mainstreaming report forms part of Registers of Scotland's Equalities, Diversity and Inclusion Strategy 2021-26 which was issued in January 2022. It supports the delivery of their purpose, vision, values and strategic objectives as outlined in the Corporate Plan.

The performance report was of a good standard

47. In addition to the opinion on the performance report we also consider the qualitative aspects of the Registers of Scotland's performance report. The performance report should provide information on a body, its main objectives and the principal risks faced by the Registers of Scotland. Additionally, it should provide a fair, balanced and understandable analysis of the Registers of Scotland's performance as well as helping stakeholders understand the financial statements.

48. During the financial year, discussions were held with Registers of Scotland on how to enhance the performance report. As noted in [paragraph 20](#), it is evident that time has been invested in developing this element of the annual report and accounts, despite the challenges of recovering from the Covid-19 pandemic. The performance report is now an example of good practice that could be shared with others.

5. Value for money

Using resources effectively and continually improving services

Main judgements

Registers of Scotland has appropriate high-level arrangements in place to help it achieve best value and has a well-developed performance management framework which supports the Corporate Plan.

Registers of Scotland has developed an appropriate Best Value and performance management framework

49. Ministerial guidance to Accountable Officers for public bodies and the Scottish Public Finance Manual (SPFM) sets out the accountable officer's duty to ensure that arrangements are in place to secure best value. The guidance sets out the key characteristics of best value and states that compliance with the duty of best value requires public bodies to take a systematic approach to self-evaluation and continuous improvement.

50. We consider whether Accountable Officers have put in place appropriate arrangements to satisfy their corresponding duty of best value. We may also, in conjunction with Registers of Scotland, agree to undertake local work in this area. We did not undertake any specific work in 2021/22 but are satisfied that appropriate arrangements are in place.

51. More generally, the Board and Audit and Risk Committee receive regular updates on performance throughout the year and Registers of Scotland publish both annual and quarterly performance summaries on its website.

Registers of Scotland were able to achieve all of their performance targets despite the pandemic

52. Registers of Scotland continued to monitor key performance indicators throughout the year with performance reported to the Board on a regular basis. Performance is assessed by seven performance targets which support the delivery of the four strategic objectives set out in the corporate plan:

- Strategic Objective 1 – Complete Scotland's Land Register by 2024 and provide transparent, accurate and impartial information for all
- Strategic Objective 2 - Lead on the innovative provision of land and property data so that it is accessible and used to create value for Scotland's people and economy
- Strategic Objective 3 – develop and deliver digital improvements that support a sustainable business where the needs of our customers are exceeded

- Strategic Objective 4 – Invest in our people so they can support a professional flexible business that works at pace to deliver value and fulfils our Statutory Duty.

53. Registers of Scotland have achieved all of their targets in 2021/22 and are taking the opportunity to reflect on whether there is a need to revise any to ensure they are challenging but achievable.

National performance audit reports

54. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. In 2021/22 several reports were published which may be of direct interest to Registers of Scotland. These are outlined in [Appendix 3](#).

Appendix 1. Action plan 2021/22

2021/22 recommendations

Issue / risk	Recommendation	Agreed management action/timing
<p>1. Medium to longer-term financial planning</p> <p>The financial performance of Registers of Scotland in 2021/22 was strong as the housing market recovery from the Covid-19 pandemic exceeded all expectations.</p> <p>There is a risk that Registers of Scotland do not adequately capture this in the longer-term financial planning.</p>	<p>To support proactive financial management Registers of Scotland should, in consultation with the Scottish Government, revise its medium-term financial planning to reflect ongoing recovery and changes to operating costs.</p> <p><u>Paragraph 39.</u></p>	<p>This has been reflected in RoS' 2022-2027 Corporate Plan and the SG Resource Spending Review. RoS will continue to monitor and review income streams and operating costs.</p> <p>Janet Egdell</p> <p>March 2023</p>

Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action / timing
<p>b/f 1. Development of performance trends</p> <p>Although the performance report provides good coverage of the impact of the Covid-19 pandemic on performance, it does not yet capture performance trends.</p> <p>Risk – There is a risk that Registers of Scotland does not adequately capture the direction of travel and overall performance story to support decision making and scrutiny.</p>	<p>Registers of Scotland should build medium term trends into the performance report to provide a clear picture of the overall direction of travel including the impact of and recovery from the Covid-19 pandemic.</p>	<p>Completed</p>

Issue/risk	Recommendation	Agreed management action / timing
<p>b/f 2. Completion of Land Register by 2024</p> <p>The Covid-19 pandemic has adversely impacted on progress in achieving this strategic objective. Registers of Scotland are aware of the challenge ahead due to complex nature of the work and the number of cases involved.</p> <p>Risk – There is a risk that Registers of Scotland will not achieve the completion of the Land Register by 2024.</p>	<p>Registers of Scotland will need to continue to improve their procedures to ensure completion of the ministerial target of completing the Land Register by 2024.</p>	<p>In progress – Registers of Scotland are making good progress towards delivering the benefits of a completed Land Register by 2024, and updates on progress are now being published monthly on the website.</p>

Appendix 2. Audit risks

The table below sets out the audit risks we identified for the 2021/22 audit and how we addressed each risk in arriving at our conclusion.

Risks of material misstatement in the financial statements

Audit risk	Assurance procedure	Results and conclusions
1. Risk of material misstatement due to fraud caused by the management override of controls As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.	<ul style="list-style-type: none"> Assessed the design and implementation of controls over journal processing. Made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries. Tested journals at the year-end and post-closing entries and focused on significant risk areas. Evaluated significant transactions outside the normal course of business. Assessed any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year. 	<p>Results: No issues were identified from our controls and year-end testing that would indicate management override of controls.</p> <p>We concluded that significant 2021/22 journal entries, transactions and accounting estimates and judgements were appropriate and adequately disclosed.</p> <p>Conclusion: Satisfactory</p>
2. Estimation in the valuation of work in progress There is a significant degree of subjectivity in the measurement and valuation of the work in progress calculation. In view of this complexity there is a risk that these are not appropriately disclosed or accounted for in the financial statements.	<ul style="list-style-type: none"> Walkthrough of controls around the work-in-progress calculation and evaluation of the assumptions. Examined the accuracy, completeness and valuation of disclosures in the 2021/22 financial statements. Detailed testing of related income and expenditure. 	<p>Results: No issues were identified from our controls testing.</p> <p>As part of our year-end testing, a misstatement was identified. However, this was adjusted in the audited annual report and accounts.</p> <p>Our detailed testing of related income and expenditure did not identify any issues.</p> <p>Conclusion: Satisfactory</p>

Other areas of audit focus

Audit risk	Assurance procedure	Results and conclusions
3. Estimation in the valuation of land and buildings <p>There is a significant degree of subjectivity in the measurement and valuation of land and buildings. In view of this complexity there is a risk that these are not appropriately disclosed or accounted for in the financial statements.</p>	<ul style="list-style-type: none"> Reviewed land and buildings revaluations, assessing whether they have been performed using an appropriate and relevant valuation basis / methodology. Examined the accuracy, completeness and valuation of disclosures in the 2021/22 financial statements. 	<p>Results: No issues were identified from audit testing carried out.</p> <p>Conclusion: Satisfactory</p>

Risks identified from the auditor's wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
4. Completion of Land Register by 2024 <p>The Covid-19 pandemic has adversely impacted on progress in achieving this strategic objective. Registers of Scotland are aware of the challenge ahead due to complex nature of the work and the number of cases involved and are engaging with key stakeholders.</p>	<ul style="list-style-type: none"> Regular discussions with management, including progress of engagement with key stakeholders. Assess achievement of key project milestones. 	<p>Results: Our audit work confirmed that Registers of Scotland continue to make good progress towards the completion of the land register by 2024.</p> <p>Conclusion: Satisfactory.</p>

Appendix 3. Summary of 2021/22 national performance reports and briefing papers

May

[Local government in Scotland Overview 2021](#)

June

[Covid 19: Personal protective equipment](#)

July

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

September

[Covid 19: Vaccination programme](#)

January

[Planning for skills](#)

[Social care briefing](#)

February

[NHS in Scotland 2021](#)

March

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

[Drug and alcohol: An update](#)

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

Registers of Scotland

2021/22 Annual Audit Report

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

www.audit-scotland.gov.uk/accessibility



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