



Orkney and Shetland Valuation Joint Board



Minute

Thursday, 7 March 2024, 14:00.

Microsoft Teams.

Present:

Orkney Islands Council:

Dr Stephen G Clackson, P Lindsay Hall, Kristopher D Leask, John A Ross Scott and Dr Jean E Stevenson.

Shetland Islands Council:

Allison Duncan, Stephen Leask, Liz Peterson, Gary Robinson and Arwed Wenger.

Clerk to the Board:

- Karen A Greaves.

In Attendance:

- Erik Knight, Treasurer to the Board.
- Robert Eunson, Assessor and Electoral Registration Officer.

Orkney Islands Council:

- Andrew Groundwater, Head of Human Resources and Organisational Development.
- Gavin Mitchell, Head of Legal and Governance.
- Hazel Flett, Service Manager (Governance).
- Andrew Paterson, Chief Internal Auditor.

Observing:

Orkney Islands Council:

- Jem Brewer, Internal Auditor (for Items 1 to 13).

Chair:

- Stephen Leask, Shetland Islands Council, Convener of the Board.

1. Introduction and Apologies

The Convener welcomed everyone and reminded members that the meeting was being recorded and broadcast live over the Internet on Orkney Islands Council's website. The recording would also be publicly available following the meeting and available for listening to for 12 months thereafter.

No apologies had been intimated.

2. Declarations of Interest

No declarations of interest were intimated in respect of the business to be considered at this meeting.

3. Minute of Previous Meeting

There had been previously circulated the draft Minute of the Meeting of the Board held on 14 December 2023.

On the motion of Liz Peterson, seconded by John Ross Scott, the Board **approved** the Minute of the Meeting of the Board held on 14 December 2023, as a true record.

Allison Duncan joined the meeting at this point.

4. Matters Arising Log

There had been previously circulated a log detailing matters arising from previous meetings, together with a list of regular reports.

In response to a query from John Ross Scott regarding the target date for training canvassers, the Assessor confirmed that training was undertaken immediately following their appointment.

The Board scrutinised the log and took assurance that action had been taken where required.

5. Revenue Expenditure Monitoring

There had been previously circulated a report by the Treasurer to the Board advising of the revenue position of the Board as at 31 December 2023.

The Board noted:

5.1. The revenue financial summary statement, in respect of the Orkney and Shetland Valuation Joint Board, for the period 1 April to 31 December 2023, attached as Annex 1 to the report by the Treasurer to the Board, indicating a budget surplus position of £72,100.

The Board scrutinised:

5.2. The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 2 to the report by the Treasurer to the Board, and obtained assurance that action was being taken with regard to significant budget variances.

6. Draft Budget for 2024/25

There had been previously circulated a report by the Treasurer to the Board setting out the proposed draft budget for the Orkney and Shetland Valuation Board for financial year 2024/25.

The Treasurer highlighted the main changes proposed, particularly the decrease in the requisitions, which was mainly as a result of the decrease in the employer's pension fund contribution rate, falling from 36% in 2023/24 to 27.7% in 2024/25.

Allison Duncan referred to the recent announcement by the Chancellor of the Exchequer regarding a reduction in the National Insurance contribution rate and queried how that might affect the Board's budget. The Treasurer advised that the reduction related to the employee contribution rate – the employer's rate remained unchanged and therefore no effect on the proposed budget.

The Board noted:

6.1. The requirement to set a balanced budget and to determine the level of requisition to be sought from the Board's constituent authorities.

6.2. That the Scottish Government Settlement for 2024/25 allocated 'new money' towards the Barclay Review Implementation of £2,000 for each constituent local authority, increasing total funding to £72,000 for each, or a total of £144,000.

6.3. That the draft budget for financial year 2024/25, attached as Appendix 1 to the report by the Treasurer to the Board, was based on a standstill position, subject to pay and inflationary costs pressures, and broadly followed the strategies adopted by the constituent authorities.

6.4. That, should the draft budget be approved, this would result in a requisition to each constituent authority as follows:

- Orkney Islands Council – £511,300, representing a decrease of £8,650 or 1.7% on the previous year's requisition.
- Shetland Islands Council – £501,200, representing a decrease of £11,050 or 2.6% on the previous year's requisition.

On the motion of Lindsay Hall, seconded by Liz Peterson, the Board **resolved**:

6.5. That the draft budget for 2024/25, attached as Appendix 1 to the report by the Treasurer to the Board, be approved.

7. Annual Audit Report 2022/23 – Action Plan

There had been previously circulated a report by the Clerk to the Board providing an update on progress with the Action Plan arising from the Annual Audit Report on the 2022/23 Audit of the Orkney and Shetland Valuation Joint Board.

The Clerk advised that the action relating to governance documents, specifically tailored Financial Regulations and Contract Standing Orders, was showing as Amber. Although documents had been drafted, competing priorities within both authorities meant that they were not yet at a stage to be submitted to the Board for formal approval. However, the Board had adopted Orkney Islands Council's Financial Regulations and Contract Standing Orders in the interim.

The Treasurer advised that Orkney Islands Council's Financial Regulations were currently under review and, once that was complete, would be adapted to form tailored Financial Regulations for the Board.

Regarding the Medium Term Financial Plan, the Treasurer advised that work in relation to Orkney Islands Council's budget setting process had necessarily taken precedence, however he anticipated that this would also be submitted to the next meeting.

In response to a query from John Ross Scott regarding tailored Contract Standing Orders, the Treasurer confirmed that they would dovetail the Financial Regulations, however more work was required on the Contract Standing Orders to ensure they aligned with the Financial Regulations. Again, he anticipated that both documents would be presented at the next meeting.

The Board scrutinised:

7.1. The updated Action Plan, attached as Appendix 1 to the report by the Clerk to the Board, which contained actions arising from the Annual Audit Report on the 2022/23 Audit, and obtained assurance.

The Board noted:

7.2. That a further update on progress would be presented to the Board, at its meeting to be held in June 2024.

8. Service Plan 2024-26 – Annual Update

There had been previously circulated a report by the Assessor and Electoral Registration Officer presenting the annual update of the Service Plan.

The Assessor advised that, following approval of the Service Plan in 2023, he had now undertaken the first annual review. No significant changes were proposed, with changes mainly comprising updating statistical information, legislation, dates and reference to the First Tier Tribunal for appeals.

In response to a query from Lindsay Hall regarding the extension of deadlines for Coronavirus-related material change of circumstance appeals, the Assessor confirmed that a large number of appeals remained outstanding with the First Tier Tribunal just starting to work through those, including contacting appellants to determine whether they wished to continue with their appeal. This had resulted in a significant number being withdrawn. However, the Assessor would maintain a watching brief, particularly to see whether it had an effect on overall workload.

In response to a query from Liz Peterson on whether job descriptions were reviewed following retirement or resignations, to determine whether or not they remained relevant, the Assessor advised that all job descriptions were reviewed and agreed through the job evaluation process in 2021, so were reasonably current. A report was due shortly regarding workforce planning which would also check that staffing and job descriptions remained relevant.

Dr Stephen Clackson referred to section 2.4 Corporate Governance of the Service Plan whereby members of the Board were referred to as “Councillor” and requested that this be removed, as elected members were not known as “Councillor” when on Board business.

The Board noted:

8.1. That, on 2 March 2023, when approving the content of the Service Plan 2023-26, the Board resolved:

- That powers be delegated to the Assessor to explore options of improving the design and aesthetic of the Plan, together with statistically refreshing data, ahead of publication on 1 April 2023.
- That the Service Plan should be reviewed annually.

8.2. That the Service Plan had been reviewed, with changes predominantly relating to minor textual amendments.

The Board **resolved**:

8.3. That, subject to removal of the words “Councillor” at section 2.4.1, the updated Service Plan 2023-2026, attached as Appendix 1 to the report by the Assessor and Electoral Registration Officer, be approved.

9. Internal Audit Plan

There had been previously circulated a report by the Chief Internal Auditor presenting the Internal Audit Strategy and Plan for 2024/25.

The Chief Internal Auditor advised that the Public Sector Internal Audit Standards included a requirement for the Chief Internal Auditor to prepare a risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation’s goals. The audit plan should incorporate a strategic or high-level statement of how the internal audit service would be delivered and developed in accordance with the Internal Audit Charter and how it linked to the organisational objectives and priorities.

Although a three-year Internal Audit Strategy and Plan was approved in June 2022, the Board noted that the Plan would be reviewed annually to ensure it remained relevant. A review in February 2024 confirmed that the Plan remained relevant.

Two audits from the 2022/23 plan had been completed, namely IT Network and Security and Corporate Governance and Risk Management. The third, Financial Controls, was on hold awaiting completion of tailored Financial Regulations and Contract Standing Orders. Of the three audits from the 2023/24 plan, the Electoral Register audit was complete, and the Council Tax and Non-Domestic Rates audits were underway.

It was proposed to undertake three audits in 2024/25, namely Performance Reporting, Workforce Planning and Budget Setting and Budgetary Control.

John Ross Scott commented that it was good to see a regular programme of internal audits, given that it was reported previously that none had been undertaken in almost a decade and queried why this had happened. The Clerk advised that, although she could not provide a full answer in that she had only been involved with the Board since late 2020, internal audits undertaken in both councils did include elements relating to the Board. However, it was not considered best practice to rely on that, and the external auditors had encouraged the Board to appoint its own internal auditor.

John Ross Scott then queried whether the Board's audit reports were reported to Orkney Islands Council's Monitoring and Audit Committee. The Clerk confirmed that Board specific audits undertaken by the Chief Internal Auditor were not reported to that Committee, as they were more in-depth and tailored to the Board's functions and gave a view on improvements for the Board's consideration.

The Convener advised that the Board was in a much better place with Internal Audit now scrutinising its work, resulting in the Board being more governance centric and transparent in its operations.

Gary Robinson queried whether the internal audit reports should be shared with the constituent councils, given the duty of Best Value and Following the Public Pound principles. The Board was effectively spending money which was sourced from the councils. The Clerk agreed that the councils would benefit from some form of reporting from the Board, given that each council provided an estimated £500k, and undertook to consider how this could be achieved, perhaps through the annual performance report.

On the motion of the Convener, seconded by Dr Jean Stevenson, the Board **resolved** that the Internal Audit Strategy and Plan, attached as Appendix 1 to the report by the Chief Internal Auditor, be approved.

10. Internal Audit – Electoral Roll

There had been previously circulated a report by the Chief Internal Auditor presenting the outcome of an internal audit relating to the Electoral Roll.

The Chief Internal Auditor advised that the Electoral Roll was a list of names and addresses of those who were qualified to vote at different elections and referendums. The Roll was published annually in December. The objective of the audit was to review the controls and procedures in place to ensure that the Electoral Rolls published annually for Orkney Islands Council and Shetland Islands Council were up to date and accurate.

The Chief Internal Auditor confirmed that the audit provided substantial assurance that the processes and procedures relating to the Electoral Roll were well controlled and managed. The internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, included two low priority recommendations regarding system access rights and the Invitation to Register process. There were no medium or high level recommendations made as a result of the audit.

The Board scrutinised the findings of the internal audit reviewing the adequacy of the controls and procedures in place to ensure that the Electoral Rolls published annually for Orkney Islands Council and Shetland Islands Council were up to date and accurate, and obtained assurance that action had been taken or agreed where necessary.

11. Date of Next Meeting

It was agreed that the next meeting be held on Thursday, 20 June 2024 in Shetland.

Provisional dates and venues for future meetings were as follows, noting that venues would be confirmed in due course:

- 26 September 2024 (in Orkney).
- 28 November 2024 (virtual).

12. Exclusion of Public

On the motion of the Convener, seconded by the Depute Convener, the Board resolved that the public be excluded for the remainder of the meeting, as the business to be considered involved the disclosure of exempt information of the classes described in the relevant paragraphs of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

13. Internal Audit – Procurement

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 1, 6, 8 and 10 of Part 1 of Schedule 7A of the Act.

There had been previously circulated a report by the Chief Internal Auditor presenting the outcome of an audit in relation to a procurement exercise.

The Chief Internal Auditor advised that Internal Audit were asked to review a procurement exercise. The objective of the audit was to review the procurement process, focusing on the governance processes and compliance with the Financial Regulations and Contract Standing Orders adopted by the Board.

The Chief Internal Auditor confirmed that the audit provided substantial assurance that the processes and procedures relating to the procurement process were well controlled and managed. The internal audit report, attached as Appendix 1 to the report by the Chief Internal Auditor, did not contain any recommendations.

The Board scrutinised the findings of the internal audit relating to the review of the procurement exercise, and obtained assurance that action had been taken or agreed where necessary.

The above constitutes the summary of the Minute in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.

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14. Staffing Matters

There had been previously circulated a joint report by the Assessor and Electoral Registration Officer and the Clerk to the Board regarding staffing matters.

The Board **resolved** what action should be taken with regard to staffing matters.

The above constitutes the summary of the Minute in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.

Gary Robinson wished his dissent to be recorded in respect of the decision outlined above.

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15. Conclusion of Meeting

At 15:30 the Convener declared the meeting concluded.

Signed: