

## **Item: 6**

**Orkney and Shetland Valuation Joint Board: 28 November 2024.**

**Internal Audit Actions Progress Report.**

**Report by Chief Internal Auditor.**

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

To present the Internal Audit Actions Progress Report for Members' scrutiny.

### **2. Recommendations**

The Board is invited to note:

#### **2.1.**

That, in order to comply with the Public Sector Internal Audit Standards, the Chief Internal Auditor must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

**It is recommended:**

#### **2.2.**

That the Board scrutinises progress made, to date, in completing the Internal Audit actions, as detailed in Appendix 1 to this report, in order to obtain assurance that issues found during internal audits are being actioned and followed up.

### **3. Background**

#### **3.1.**

At the Board meeting of 3 March 2022, the appointment of Orkney Islands Council's Chief Internal Auditor to provide a VJB specific internal audit service was approved.

#### **3.2.**

Since being appointed five audits have been completed resulting in nineteen audit recommendations. Nine of these have completed prior to this report and reported to this Board. This report provides an update on progress with the ten remaining recommendations and associated actions.

### **4. Financial Implications**

There are no financial implications arising directly from this report.

## **5. Governance Aspects**

The content and implications of this report have been reviewed and, at this stage, it is deemed that the Board **DOES NOT** require external legal advice in consideration of the recommendations of this report.

## **6. Contact Officer**

Andrew Paterson, Chief Internal Auditor, 01856873535 extension 2107, Email [andrew.paterson@orkney.gov.uk](mailto:andrew.paterson@orkney.gov.uk)

## **7. Appendix**

Appendix 1: Internal Audit Actions Progress Report.



# Orkney & Shetland Valuation Joint Board



## Internal Audit Action Progress Report

Issue date: 8 November 2024

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## Executive Summary

The Public Sector Internal Audit Standards require the Chief Internal Auditor to monitor and ensure that management actions have been effectively implemented or that senior management have accepted the risk of not taking action.

This report provides an update on progress with implementing the internal audit actions and highlights any actions which have not been implemented by the agreed date.

The table below details the number of internal audit actions and the status of each of the actions.

Overdue	Ongoing	Complete	Total no of Actions
1	2	7	10

The table on the following pages shows a further breakdown to provide an indication of which audits the actions are associated with and when the audits were performed, it also provides more detail on the individual actions, owners and target dates as well as the current position with implementation of the actions.

Over the last two years five internal audits have been carried out resulting in a total of nineteen audit recommendations, nine of these have been completed prior to this report and have been reported to the Board as part of the Internal Audit Annual Report and Opinion. The remaining ten recommendations and associated actions are covered in this report.

The table below shows that a further seven actions have been completed with one action on the IT Network and Security audit showing as overdue, and two actions ongoing one from the Council Tax audit and one from the Non Domestic Rates audit.

## Actions Breakdown

### IT Network and Security Audit 2022/23

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
2 Service level agreements with the constituent councils should provide for regular confirmation statements of compliance to be provided to the VJB.	Low	Agreed – Arrangements for this will be incorporated into the new SLAs.	The Assessor and ERO	31 March 2023	Complete
3 The VJB's suite of data security and protection policies should be reviewed and updated to current legislation and provide required timescales for their regular review.	Low	Agreed – Current policies appear substantively complete, but will require some updates, although these are likely to be relatively minor in scope. Data security and protection policy review periods should be fixed at a maximum of three years.	The Assessor and ERO in conjunction with the VJB's DPO	30 June 2023	Complete
6 The VJB should review whether each of the commitments made within, and as a result of the records management plan have been embedded and develop an action plan to implement the remaining required improvements.	Low	Agreed – It is envisaged that the VJB will be invited to submit a Progress Update Review (PUR) in 2023 to National Records of Scotland. This will consist of a root and branch review of the previously submitted Records Management Plan ensuring that existing and planned records management arrangements are up to date and relevant.	The Assessor and ERO in conjunction with the VJB's DPO	31 March 2024	Complete
7 Following revision of Policies and Procedures within the VJB, staff should	Low	Agreed – Communications bulletin will be produced to highlight requirements for both digital and physical data security practices and	The Assessor and ERO in	31 August 2023	Awaiting response from

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
be updated on any significant revisions made and reminded of required practices to data security and protection.		provide a link to the updated policies for staff to access. In addition, bespoke online training will be delivered to VJB staff. Staff currently undertake mandatory Data Protection training and receive Council updates on cyber security.	conjunction with the VJB's DPO		National Records

### Electoral Roll Audit 2023/24

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
2 Wherever possible ITR forms should be issued within 2 months of receiving notification from the Valuation operations, and that any remaining backlog of ITR forms to be issued be cleared as soon as possible.	Low	With a full complement of Business Support staff new properties will receive ITRs within two months of inclusion in the Valuation List unless there is an issue with that specific property.	Shetland – Depute Electoral Registration Officer  Orkney - Business Support Officer	Any currently outstanding properties will be actioned by end of March 2024.	Complete

### Council Tax Audit 2023/24

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
1 We recommend that a plan is put in place to align the information requested from the Local Authorities in Orkney and Shetland.	Low	The receipt of information on property is covered by the Acts, although a review of this information will be undertaken in each Island office.	Assessor & ERO and Depute Assessor	30 November 2024	Ongoing

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
4 Where resources allow, monitoring of KPIs should be increased to at least every 6 months, to provide the Board and senior management with timely information on the operation of the Office throughout the year.	Low	The 6 month Best Value VJB report could be used to “highlight” any issues needing to be brought to the Board’s attention. If not needed, the Annual Performance Report will cover this.	Assessor & ERO	30 November 2024	Complete

### Non- Domestic Rates Audit 2023/24

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
1 It is recommended that separation of duties is implemented, so that the valuers undertaking the valuations are no longer entering the details within the Valuation Roll.	Medium	Valuers will continue to flag up any potential conflict of interest with management. Valuers undertaking a valuation will no longer be allowed to enter details on the Valuation Roll.	Assessor & ERO	30 September 2024	Complete
2 We recommend that monthly monitoring of the control spreadsheet of proposals is established, to identify any cases where deadlines are at risk of being missed.	Low	Agreed	Assessor & ERO	30 September 2024	Complete

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
3 We recommend that there is a review of appropriate KPIs for the rating valuation review process prior to the revaluation in 2026.	Low	Agreed. It is considered that the current proposal settlement work for R23 is too new and unfamiliar to be able to establish meaningful potential KPIs.	Assessor & ERO	31 March 2026	Ongoing