



Orkney and Shetland Valuation Joint Board



Item: 6

Orkney and Shetland Valuation Joint Board: 27 November 2025.

Internal Audit Actions – Progress Report.

Report by Chief Internal Auditor.

1. Overview

- 1.1. The Global Internal Audit Standards in the UK Public Sector 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.
- 1.2. The Internal Audit Action Progress Report, attached as Appendix 1 to this report, provides an update on progress with implementing internal audit actions.
- 1.3. The table on pages 2 to 4 of the Progress Report gives an indication of which audits the actions are associated with and provides more detail on the individual actions and target dates as well as the current position with implementation of the actions.

2. Recommendations

- 2.1. It is recommended that members of the Board:
 - i. Scrutinise 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.

For Further Information please contact:

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Implications of Report

1. **Financial** - None directly related to this report.
2. **Corporate Governance** – The Board’s consideration of Internal Audit recommendations and review of the actions taken, contributes to the continuing effectiveness of the governance framework.
3. **Human Resources** - None directly related to this report.
4. **Equalities** - None directly related to this report.

5. **Island Communities Impact** - None directly related to this report.
6. **Environmental and Climate Risk** - None directly related to this report.
7. **Risk** - None directly related to this report.
8. **Procurement** - None directly related to this report.
9. **Health and Safety** - None directly related to this report.

List of Background Papers

Global Internal Audit Standards in the UK Public Sector.

Appendix

Appendix 1: Internal Audit Action Progress Report.



Orkney & Shetland Valuation Joint Board



Internal Audit Action Progress Report

Issue date: 30 October 2025

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Executive Summary

The Internal Audit Standards in the UK Public Sector 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	6	1	8

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 three years eight internal audits have been carried out resulting in a total of twenty-six audit recommendations, eighteen of these have been completed prior to this report and have previously been reported to the Board. The remaining eight recommendations and associated actions are covered in this report.

The table below shows that a further action has been completed since the last update, but there is one overdue action and another which may not meet the target date.

Actions Breakdown

IT Network and Security Audit 2022/23

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
Following revision of Policies and Procedures within the VJB, staff should be updated on any significant revisions made and reminded of required practices to data security and protection.	Low	Agreed – Communications bulletin will be produced to highlight requirements for both digital and physical data security practices and 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.	The Assessor and ERO in conjunction with the VJB's DPO	31 August 2023	Complete Oct 2025 – staff have been signposted towards the updated policies and offered training in data security.

Council Tax Audit 2023/24

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
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 and ERO and Depute Assessor	30 November 2024	Due to pressure of work we will not be in a position to progress this until at least May 2026.

Non- Domestic Rates Audit 2023/24

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
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 and ERO	31 March 2026	Ongoing, though likely to need to be pushed back to the middle of 2026.

Performance Reporting Audit 2024/25

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
The Best Value spreadsheets and 'Stats' spreadsheets should be linked by formulae to avoid errors in carrying numbers from one to the other.	Low	This will be implemented.	Assessor & ERO	June 2026	Ongoing
The O&SVJB should consider whether the % reduction on appeal is an effective KPI, or whether some alternative measure might be more appropriate. In the event that the KPI is retained, the O&S VJB should consider adopting a target of less than 5% reduction on appeal averaged over a 3-year period going forward.	Low	This is a fairly meaningless statistic given the lack of control we have over it, only exasperated by the speed we have to carry out revaluations in the 3 yearly cycle with 1-year tone. It isn't a Statutory KPI and we aren't aware of any other Assessor who uses it. So for those reasons we would be in favour of dropping it and investigating an alternative measure. In the interim we agree with the change to 5% becoming the target.	Assessor & ERO	June 2026	Ongoing

Workforce Planning Audit 2024/25

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
A summary of issues to be considered in the next iteration of the Workforce Plan should be produced, which can then be amended and updated as required, to ensure that the WFP addresses issues which have arisen.	Low	Agree to consider the above-noted issues in preparation of the next Workforce Plan.	Assessor and ERO	30 September 2027	Ongoing
Any demand forecasting undertaken for the purposes of the WFP should be based on the Local Housing Strategy and Housing Need and Demand Assessment (HNDA) documents for the relevant authorities.	Low	These documents will be considered along with other indicators in terms of demand forecasting.	Assessor and ERO	30 September 2027	Ongoing
Consideration should be given to including SMART goals within the action plan of the WFP where possible	Low	This will be considered where possible.	Assessor and ERO	30 September 2027	Ongoing