

**REPORT TO: TAYSIDE VALUATION JOINT BOARD – 21 JANUARY 2017**

**REPORT ON: INTERNAL AUDIT**

**REPORT BY: ASSESSOR**

**REPORT NO: TVJB 5-2019**

## **1 PURPOSE OF REPORT**

- 1.1 To present to the Board the following Internal Audit Reports which are attached as appendices to this report:-

Internal Audit Report 2019/02 – Risk Management / Business Continuity Planning  
Internal Audit Report 2019/03 – Council Tax

## **2 RECOMMENDATIONS**

- 2.1 The Board is asked to note the contents of the two Audit Reports.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 The cost of Internal Audit Services is provided for in the Assessor's Revenue Budget.

## **4 POLICY IMPLICATIONS**

- 4.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

## **5 BACKGROUND**

- 5.1 Henderson Loggie were appointed to provide an Internal Audit Service in respect of the financial years 2013/14 to 2015/16 and have subsequently been re-appointed for the period from 1 April 2016 to 31 March 2019. Audit work has proceeded in accordance with the Audit Needs Assessment and Strategic Plan for the period 2016 to 2019 as approved by the Board on 22 August 2016.

- 5.2 Internal Audit Report 2019/02 – Risk Management / Business Continuity Planning Management is attached as Appendix 1 to this report. It has been prepared by Internal Audit following discussion with the Assessor. The overall conclusion of the report is that the level of assurance is good and that the system meets the control objectives. One minor recommended action has been identified which is that although the IT Disaster Recovery Plan is tested at regular intervals, the results of each test should be formally recorded in detail. This recommendation has been agreed and procedures for recording these details will be implemented for use at all future tests.

- 5.3 Internal Audit Report 2019/03 – Council Tax is attached as Appendix 2 to this report. It has been prepared by Internal Audit following discussion with the Assessor. The overall conclusion of the report is that the level of assurance is good and that the system meets the control objectives. No recommended actions are identified.

## **6 CONSULTATIONS**

- 6.1 The Clerk and Treasurer to the Board have been consulted on this report.

**7 BACKGROUND PAPERS**

7.1 None.

**ALASTAIR KIRKWOOD**  
Assessor

**January 2019**



**Tayside Valuation Joint Board**

**Risk Management / Business Continuity Planning**

**Internal Audit Report No: 2019/02**



**Draft Issued: 14 December 2018**

**Final Issued: 17 December 2018**

**LEVEL OF ASSURANCE**

**Good**



## Contents

		Page No.
Section 1	Overall Level of Assurance	1
Section 2	Risk Assessment	1
Section 3	Background	1
Section 4	Scope, Objectives and Overall Findings	1 - 2
Section 5	Audit Approach	3
Section 6	Summary of Main Findings	3
Section 7	Acknowledgements	4
Section 8	Findings and Action Plan	5 - 9

### Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

<b>Good</b>	System meets control objectives.
<b>Satisfactory</b>	System meets control objectives with some weaknesses present.
<b>Requires improvement</b>	System has weaknesses that could prevent it achieving control objectives.
<b>Unacceptable</b>	System cannot meet control objectives.

### Action Grades

<b>Priority 1</b>	Issue subjecting the organisation to material risk and which requires to be brought to the attention of the Joint Board.
<b>Priority 2</b>	Issue subjecting the organisation to significant risk and which should be addressed by the Assessor.
<b>Priority 3</b>	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

## 1. Overall Level of Assurance

<b>Good</b>	System meets control objectives
-------------	---------------------------------

## 2. Risk Assessment

The systems and controls reviewed are part of the mitigating actions for several risks noted in the Board's Risk Register.

## 3. Background

As part of the Internal Audit programme at Tayside Valuation Joint Board ('the Board') for 2018/19, we carried out a review of the arrangements and key internal controls in place in relation to risk management and business continuity planning. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Joint Board and Assessor that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

## 4. Scope, Objectives and Overall Findings

This audit included a high-level review of the Board's procedures for assessing, monitoring and mitigating risk. We also consider whether there are adequate plans in place to minimise disruption to operations following loss of life, buildings or equipment and that these are regularly tested.

## 4. Scope, Objectives and Overall Findings (Continued)

The table below notes each separate objective for this review and records the results:

Objective	Findings		
	1	2	3
<b>The objective of this audit was to obtain reasonable assurance that:</b>			
	<b>No. of Agreed Actions</b>		
<i>Risk Management</i>			
1. A formal risk management process is in place, including formally documented policies and procedures.	<b>Good</b>	0	0
2. Responsibility for managing risks are clearly assigned.	<b>Good</b>	0	0
3. Staff are trained in risk management.	<b>Good</b>	0	0
4. There is an ongoing review of risk management procedures for continual improvement.	<b>Good</b>	0	0
5. Key risks have been identified and are being appropriately controlled and mitigated.	<b>Good</b>	0	0
<i>Business Continuity Planning</i>			
6. Business Continuity Plans (BCPs) are in place covering all of the Board's activities.	<b>Good</b>	0	0
7. The BCPs are workable, properly communicated to members of staff, and have been adequately tested.	<b>Satisfactory</b>	0	1
<b>Overall Level of Assurance</b>	<b>Good</b>	<b>0</b>	<b>0</b>
		System meets control objectives.	

## 5. Audit Approach

### *Risk Management*

We discussed the risk management process with the Assessor and reviewed appropriate policies and procedures. Risk management documents and reports, such as the risk register, were then reviewed.

### *Business Continuity*

We reviewed the BCP in place and considered whether it covers all of the Board's activities.

Discuss the Board's approach to business continuity with the Assessor and reviewed evidence of how plans have been communicated to staff and the extent to which plans have been tested.

## 6. Summary of Main Findings

### **Strengths**

- A Risk Management Strategy and Risk Register are in place;
- The Board's Risk Management Strategy, which forms part of its internal control and corporate governance arrangements, outlines the Board's underlying approach to risk management. This details the roles and responsibilities of the Joint Board members, the officers (including the Management Team) and makes risk owners accountable for managing risk;
- Although there is no formal programme of risk management training, we have been advised that members of the Management Team have previously received training in risk management techniques from the Board's insurers, and in response to previous internal audit recommendations the Management Team have completed PRINCE2 training in order that formal risk management processes can be applied to future projects;
- The risk register is discussed at monthly meetings of the Board's Management Team and from review of the Joint Board minutes we noted that the risk register is reviewed annually by the Joint Board, which includes consideration of any new or emerging risks which require to be added to the risk register. Given the relatively static nature of the Board's strategic risks an annual review of the risk register is considered appropriate;
- We reviewed the Business Continuity Plan (BCP) and confirmed that the plan includes expected key elements, including core business activities, key contacts, roles and responsibilities, incident definitions and notification as well as escalation and reporting procedures; and
- We noted that the BCP covers all of the Board's activities and has been updated to reflect the relocation of the Angus and Dundee Assessor's office to the combined office site at Orchardbank, Forfar and relevant potential business continuity risks have been identified.

### **Weaknesses**

- We noted that although testing of the IT Disaster Recovery Plan is performed, the results are not formally recorded to provide details on the scenario tested, steps followed, results and conclusions, and where applicable any action required to update the IT Disaster Recovery Plan.

## 7. Acknowledgements

We would like to thank Board staff for the co-operation and assistance we received during our review.



## 8. Findings and Action Plan

### **Risk Management**

#### **Objective 1: A formal risk management process is in place, including formally documented policies and procedures.**

The Management Team and the Governance Working Group (GWG) are responsible for all governance matters, including preparing, monitoring, maintaining and updating the Board's Strategic Risk Register and ensuring that there is an adequate risk management strategy. The Assessor has drawn up a Risk Management Strategy and Risk Register. The Management Team is comprised of the Assessor and Assistant Assessors assigned to each of the constituent local authority areas, and the GWG comprises the three Assistant Assessors and Principal Valuer. We have concluded these to be appropriate groups to take ownership of risk management.

#### **Objective 2: Responsibility for managing risks are clearly assigned.**

The Board's Risk Management Strategy, which forms part of its internal control and corporate governance arrangements, outlines the Board's underlying approach to risk management, and details the roles and responsibilities of the Joint Board members, the officers (including the Management Team) and makes risk owners accountable for managing risk.

The Board's Financial Regulations also state that *'The Assessor, in conjunction with the Treasurer, will ensure that the risks faced by the Board are identified and quantified and that effective measures are taken to reduce, eliminate or insure against them'* and *'The Assessor is responsible for ensuring that there is a Risk Management Strategy, Strategic Risk Register and Business Continuity Plan in place which demonstrates the Board's approach to managing strategic risk and that this is reviewed and reported to the Board annually'*. From a review of the minutes of the Joint Board and risk related documents we noted evidence of regular reviews being undertaken by the Management Team and by the Joint Board.

All risks should be assigned to an owner who has responsibility for ensuring that the risk is managed and monitored over time. We confirmed that the Strategic Risk Register includes details of the responsible officer aligned with each risk.

**Objective 3: Staff are trained in risk management.**

Although there is no formal programme of risk management training, we have been advised that members of the Management Team have previously received training in risk management techniques from the Board's insurers.

During our previous review of this area (internal audit report 2015/04 Risk Management and Business Continuity Planning, issued in January 2015), we noted that there were varying levels of awareness of risk management and that there was a requirement for further formal risk management training to be provided to staff directly involved in risk management processes. We previously recommended that risk management training be provided to key staff and we have confirmed that since our previous report the Board's insurers have delivered a training session on risk management to the Management Team.

Internal audit report 2015/04 also included a recommendation that the Board consider the project management and risk management processes which should be put in place over projects. We reported in internal audit report 2018/05, Follow-Up Reviews 2017/18, issued in June 2018, that this recommendation remained outstanding as there had been no projects of a significant size in recent years which would require a project management methodology to be applied. However, we did note that the Management Team have completed PRINCE2 training in order that formal project management processes can be applied to future projects.

**Objective 4: There is an ongoing review of risk management procedures for continual improvement.**

The risk register is reviewed quarterly by the Governance Working Group and is a standing item on the agenda at meetings of the Group. The Risk Register is also discussed at monthly meetings of the Board's Management Team. The Assessor has overall responsibility for the risk register and presents this annually to the Joint Board. The Board's structure and approach in this regard appears reasonable. The Risk Management Strategy is reviewed every three years in line with the Service Plan life cycle. Given the relatively static nature of the risks facing the Board the review cycle we consider this approach to be reasonable.

**Objective 5: Key risks have been identified and are being appropriately controlled and mitigated.**

The development of the Strategic Risk Register is led by the Management Team, although risk identification and management are inherent in the day-to-day operations of the Management Team and risks are highlighted through regular operational meetings and escalated to the Management Team as necessary. The Risk Management Strategy highlights the fact that all staff have an important role to play in identifying risks through their involvement in day-to-day operations.

The risk identification process considers risks under six separate headings: premises; finance; IT; staffing; service and Electoral Registration.

When reviewing the risk register the Management Team consider the key risks of stakeholders, including the relevant local authorities.

The Board's specific IT risks are identified, analysed and controlled by the IT Working Group.

In order to manage risk effectively the Board must have a sound understanding of the risks facing the organisation and how to evaluate these risks. Identifying potential risks is the first step in building the Board's risk profile. There are two distinct phases: initial risk identification (which has been undertaken through the formation of the Board's risk register); and continuous risk identification. The latter is necessary to identify new and emerging risks not previously considered and to consider changes to existing risks or the de-escalation of previously identified risks which are no longer deemed relevant to the Board. From our review of the Joint Board minutes we noted that the risk register is reviewed annually, which includes consideration of any new or emerging risks which require to be added to the risk register. Given the relatively static nature of the Board's strategic risks an annual review of the risk register we consider this process to be appropriate.

***Business Continuity Planning*****Objective 6: Business Continuity Plans (BCPs) are in place covering all of the Board's activities.**

The Board's Business Continuity Plan (BCP) was last reviewed in August 2018 by the Assistant Assessor, Angus, in conjunction with other members of the Board's Governance Working Group. The objective of the BCP is to assist the Board in defining an incident response structure that will enable an effective response and recovery from disruptions to ensure continuation of the operations outlined in the Board's Service Plan 2016-2019. We reviewed the BCP using the British Standard BS 25999 'Business Continuity Management' code of practice and confirmed that the plan includes the key elements required. This includes core business activities, key contacts, roles and responsibilities, incident definitions and notification as well as escalation and reporting procedures.

We noted that the BCP covers all of the Board's activities, has been updated to reflect the relocation of the Angus and Dundee Assessor's office to the combined office site at Orchardbank, Forfar and relevant potential business continuity risks have been identified.

Tayside Valuation Joint Board – Risk Management / Business Continuity Planning

**Objective 7: the BCPs are workable, properly communicated to members of staff, and have been adequately tested.**

All staff have been made aware of the BCP and have been advised where to locate a copy of the document on the shared drive. This can be accessed remotely by the Management Team, if required. Hard copies of the BCP are also held by members of Management Team.

The BCP was last tested in February 2017. Business continuity good practice recommends that a BCP, or elements of it, are tested at least annually. From discussion with the Assessor we noted that as the BCP was recently updated to reflect the changes in office locations earlier in 2018 desk top testing of the BCP is scheduled for later in 2018/19 to ensure that the plan remains workable and relevant.

Observation	Risk	Recommendation	Management Response	
<p>An IT Disaster Recovery Plan has been created and held by the Boards' IT staff and IT elements of the plan are tested at least annually and/or in preparation for each significant electoral event. We noted that although testing is performed, the results are not formally recorded to detail the scenario tested, steps followed, results and conclusions, and where applicable any action required to update the IT Disaster Recovery Plan.</p>	<p>The IT Disaster Recovery Plan arrangements may not work in practice and lessons may not be learned.</p>	<p><b>R1</b> Ensure that the findings and conclusions of testing of the IT Disaster Recovery Plan are formally recorded and where required, results are used to amend the plan to ensure it remains workable.</p>	<p>Agreed. A standard template will be created to be completed by the tester and countersigned by the IT Manager on the conclusion of each test.</p> <p><b>To be actioned by:</b> IT Manager</p> <p><b>No Later Than:</b> 31 March 2019</p>	
			<p><b>Grade</b></p>	<p><b>3</b></p>



**Tayside Valuation Joint Board**

**Council Tax**

**Internal Audit Report No: 2019/03**



**Draft Issued: 14 December 2018**

**Final Issued: 17 December 2018**

**LEVEL OF ASSURANCE**

<b>Good</b>
-------------



## Contents

		Page No.
<b>Section 1</b>	<b>Overall Level of Assurance</b>	<b>1</b>
<b>Section 2</b>	<b>Risk Assessment</b>	<b>1</b>
<b>Section 3</b>	<b>Background</b>	<b>1</b>
<b>Section 4</b>	<b>Scope, Objectives and Overall Findings</b>	<b>1 - 2</b>
<b>Section 5</b>	<b>Audit Approach</b>	<b>3</b>
<b>Section 6</b>	<b>Summary of Main Findings</b>	<b>3</b>
<b>Section 7</b>	<b>Acknowledgements</b>	<b>4</b>
<b>Section 8</b>	<b>Findings and Action Plan</b>	<b>5 - 9</b>

### Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

<b>Good</b>	System meets control objectives.
<b>Satisfactory</b>	System meets control objectives with some weaknesses present.
<b>Requires improvement</b>	System has weaknesses that could prevent it achieving control objectives.
<b>Unacceptable</b>	System cannot meet control objectives.

### Action Grades

<b>Priority 1</b>	Issue subjecting the organisation to material risk and which requires to be brought to the attention of the Joint Board.
<b>Priority 2</b>	Issue subjecting the organisation to significant risk and which should be addressed by the Assessor.
<b>Priority 3</b>	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

## 1. Overall Level of Assurance

<b>Good</b>	System meets control objectives
-------------	---------------------------------

## 2. Risk Assessment

This review focused on the controls in place to mitigate the following risk:

5.2 - Failure of Information Provision: Council Tax

## 3. Background

As part of the Internal Audit programme at Tayside Valuation Joint Board ('the Board') for 2018/19, we carried out a review of the Board's Council Tax Valuation List arrangements. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Joint Board and Assessor that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

The Valuation List ('the List') is a register of all domestic properties which are subject to banding for Council Tax purposes. The List also includes subjects such as domestic lock-up garages and domestic stores which are regarded as exempt dwellings. Separate Lists are maintained for each of the three constituent local authority areas: Angus, Dundee City and Perth & Kinross.

Each dwelling is placed in one of eight broad bands according to its estimated capital value as at 1 April 1991. The List contains address information together with the band ascribed to each dwelling.

## 4. Scope, Objectives and Overall Findings

This audit reviewed the adequacy and effectiveness of the controls and procedures in place to ensure the accuracy of records relating to all domestic properties within the Board's area and that all property bandings are appropriate and only approved changes, new entries, deletions and amendments, proposals and appeals are made to the Valuation List.



## 4. Scope, Objectives and Overall Findings (Continued)

The table below notes each separate objective for this review and records the results:

Objective	Findings			
	1	2	3	
<b>The objective of this audit was to obtain reasonable assurance that:</b>	<b>No. of Agreed Actions</b>			
1. There are appropriate procedures in place to ensure that all domestic properties in the area are on the Valuation List and that the entries are accurate and agree with the assessed property bandings.	Good	0	0	0
2. Any changes; new entries and amendments to properties on the Valuation List are properly authorised and approved by suitably qualified professional and technical staff.	Good	0	0	0
3. All proposals and appeals of council tax bandings are addressed and cleared by appropriately qualified professional and technical staff in accordance with the statutory timetable.	Good	0	0	0
4. Checks are in place to ensure that the Valuation List is accurately and timeously amended to record the outcome of an appeal.	Good	0	0	0
5. Controls are in place to ensure that late amendments to the current List are picked up and reflected in the new List.	Good	0	0	0
6. Only authorised staff can input amendments and all new entries are checked independently and evidenced.	Good	0	0	0
7. Authorised staff change their passwords in line with pre-determined password policies and where staff leave their access is suspended.	Good	0	0	0
8. All deletions are properly authorised by a Valuer or Senior Valuer and there are procedures in place to ensure that staff do not make alterations to any properties on the List in which they have an interest.	Good	0	0	0
9. All changes to the Valuation List are reported timeously to the Local Authorities and appropriate notices are issued to taxpayers.	Good	0	0	0
<b>Overall Level of Assurance</b>	<b>Good</b>	<b>0</b>	<b>0</b>	<b>0</b>
				System meets control objectives.

## 5. Audit Approach

From discussion with relevant staff, and review of procedural documentation, we identified the key internal controls in place within the council tax valuation and appeals systems and compare these with expected controls. Audit testing was then carried out to ensure that the controls in place are operating effectively.

## 6. Summary of Main Findings

### **Strengths**

- Testing of a sample of 60 Council Tax properties relating to new entries, sales and alterations, and deletions we confirmed that adequate controls are in place to ensure that changes are properly authorised by suitably qualified staff and that the Valuation List is accurately and timeously updated.
- There are robust segregation controls in place to ensure that staff cannot make unauthorised amendments to the Valuation List.
- For a sample of 10 proposals and appeals of Council Tax bandings we found that the Board had acknowledged and responded to these within the statutory timescales.
- Changes to the Valuation List are reported timeously to the local authorities.
- The Board continues to make efficient use of its systems by adopting uniform and consistent working practices which are now embedded across the two offices which cover the three local authority areas.

### **Weaknesses**

- No significant weaknesses were noted during our review.

## 7. Acknowledgements

We would like to thank Board staff for the co-operation and assistance we received during our review.

## 8. Findings and Action Plan

**Objective 1: There are appropriate procedures in place to ensure that all domestic properties in the area are on the Valuation List and that the entries are accurate and agree with the assessed property bandings.**

The primary source of information relating to new, altered and demolished properties is obtained from planning permission, warrant registers and completion certificates as provided by each of the constituent local authorities. As detailed in the Board's Council Tax Valuation List General Outline of Procedures Assistant Assessors are responsible for making appropriate arrangements for obtaining such information. Information obtained is then recorded in the Board's warrants system and scrutinised by senior valuers in order to identify properties which may require a valuation or banding assessment to be carried out.

As detailed in the Board's Council Tax Valuation List General Outline of Procedures senior managers are responsible for scrutinising the warrants database at least four times a year to ensure that staff are updating the system to allow performance targets to be met. Through discussion with staff we noted that in practice checks are performed more frequently and in addition Key Performance Indicator reports are reviewed weekly which show the status of outstanding warrants.

**Objective 2: Any changes; new entries and amendments to properties on the Valuation List are properly authorised and approved by suitably qualified professional and technical staff.**

It is the responsibility of the Board to put in place systems to ensure that details of all properties in the region are captured and recorded in the Board's own systems to ensure that the Valuation List is maintained as accurate and complete. Full technical details of each property included on the Valuation List, such as floor plans and details of non-domestic or commercial use, are recorded in the Board's electronic library facility along with details of any further evidence required to support the property valuation reached. Guidance on the supporting evidence that is required is contained within the Board's internal procedures.

Confirmation of the new entries, amendments or deletions to the Valuation List are entered into the Board's computer systems and recorded electronically on a 'Council Tax Input Record' (CT1) form. Valuation figures recorded on the input records are directly linked to the electronic calculation tables on the Board's systems. Input records are completed, signed and dated by professional or technical staff but must be authorised by the area senior valuer.

Our testing included selecting a random sample of 60 CT1 forms from across each of the three Local Authority areas, ensuring that CT1 forms, including the valuation arrived at, had been appropriately authorised; sufficient documentation existed in the document library system to support the valuations (and bandings arrived at); and that adequate checking of changes to the Valuation List had taken place.

In all 60 cases tested (20 for each Local Authority area) we were able to confirm that new entries, amendments and deletions had been appropriately authorised, and that appropriate file evidence existed to support the banding or valuation.

**Objective 3: All proposals and appeals of council tax bandings are addressed and cleared by appropriately qualified professional and technical staff in accordance with the statutory timetable, and**

**Objective 4: Checks are in place to ensure that the Valuation List is accurately and timeously amended to record the outcome of an appeal.**

Council tax proposals received from occupiers are recorded on the Board's Proposals computer system. The Board's procedures state that Council Tax proposals received are to be acknowledged within 14 days in accordance with regulation 7 of The Council Tax (Alteration of Lists and Appeals) (Scotland) Regulations 1993. Where the proposal is considered invalid, the proposer should be notified within six weeks of receipt of the proposal with the Board notifying the proposer of the reasons for the proposal being considered invalid.

We selected a random sample of nine proposals from across all three areas and ensured that: the Board had issued an acknowledgment letter to the appellant within the statutory timeframe; a proposals header sheet had been produced; sufficient documents were available to support the proposal and any resulting amended valuation / banding; and that the final header sheet agreed with the final valuation / banding as recorded on the Valuation List. No exceptions were noted.

Our testing also included the selection of one appeal to ensure that: the appeal was lodged and recorded within the four week statutory timeframe; the Board had issued an acknowledgment letter to the appellant; an appeals header sheet had been produced; sufficient documents were available to support the appeal and any resulting amended valuation / banding; and that the final header sheet agreed with the final valuation / banding. No exceptions were noted.

For the sample of proposals and appeals tested we confirmed that in each case they had been addressed and cleared by a senior valuer and that the final valuation and banding had been checked by an Assistant Assessor prior to the updated Valuation List and Banding Notices being notified to the local authority.

**Objective 5: Controls are in place to ensure that late amendments to the current List are picked up and reflected in the new List.**

Weekly reports are produced which detail all new entries and changes made to council tax records in the preceding week. The Board's internal procedures outline the controls in place to ensure the accuracy of the updates applied to the Valuation List which include; checking the items listed to the source documents used for implementing the changes (such as CT1 forms) and checking items listed against a 'Banding History Report' which is also produced weekly showing the changes to bands processed in the previous week. Once checked and authorised, the interface report is passed to the Finance Department of Dundee City Council.

Our testing of a sample of 60 weekly Council Tax Interface reports (20 for each Local Authority area) found that all changes noted from our testing of 60 CT1 forms (see objective 2) were accurately reflected in the updated Valuation List which were then reported timeously to the local authorities. Therefore, we concluded that adequate controls are in place to ensure that any late amendments to the current Valuation List are picked up and reflected in the new Valuation List.

**Objective 6: Only authorised staff can input amendments and all new entries are checked independently and evidenced.**

Our review included review of a sample of 60 Council Tax Interface Reports across the three areas to ensure that; the interface report and the banding history report had been checked to CT1 forms and other source documents; the banding notices had been checked and approved; and that both the interface report and the banding report had been approved by the Assistant Assessor.

Sample testing across all three Local Authority areas confirmed that changes on the interface and banding reports had been agreed to CT1 forms and supporting documents.

To ensure that changes to the Valuation List have been independently checked a list of proposed alterations to the Valuation List are passed to the senior valuers each week who ensure that entries agree to source documents. Our testing of CT1 forms and Council Tax Interface Reports confirmed that evidence of this checking is recorded by all three regional divisions.

Adequate segregation exists amongst staff to minimise the risk of unauthorised amendments being made to the Valuation List in that access to the Valuation List is determined by business need and to ensure that the integrity of the Valuation List is maintained. Any amendments are authorised by Senior Valuers with subsequent changes to the Valuation List then applied by Clerical staff. Valuation staff do not have direct access to the Valuation List. We found the controls in this area to be good.

## Tayside Valuation Joint Board – Council Tax

**Objective 7: Authorised staff change their passwords in line with pre-determined password policies and where staff leave their access is suspended.**

Guidance relating to the access to the Board's systems is included within the Board's internal guidance document, *Security of Information Technology Systems*, which has been issued to all staff. The guidance document outlines the need to eliminate any potential risk of unauthorised disclosure of information and of unauthorised amendments being made to the Valuation List and all other computer applications operated by the Assessor and the Board. All computer equipment is configured in such a way that all users are required to enter a user name and password before the computer can be operated. Unique user names are allocated to each member of staff by the IT team. Systems are set up to prompt users to change passwords periodically. Procedures are in place to notify IT staff timeously when a member of staff leaves the employment of the Board to ensure that systems access is suspended timeously.

**Objective 8: All deletions are properly authorised by a Valuer or Senior Valuer and there are procedures in place to ensure that staff do not make alterations to any properties on the List in which they have an interest.**

Our sample of 60 CT1 forms tested included 15 deletions and amendments to properties on the Valuation List which we confirmed had been properly authorised and approved by suitably qualified professional and technical staff. We also ensured that any amendments or deletions of properties on the Valuation List contained sufficient and appropriate supporting documents.

The Board's Council Tax Valuation List General Outline of Procedures contains guidance for staff on conflicts of interest when creating new or making amendments to entries on the Valuation List. Staff should not update records or authorise amendments for their own property or for properties occupied by family or close friends. Any such changes should be authorised by a member of the Assessor's management team who does not have an interest in the property. Staff are formally required to complete an annual return listing any properties in which they have a personal interest. Such properties are flagged in the Valuation List and reports are generated and reviewed each month by an Assistant Assessor when changes are made to properties that are linked to staff. Changes are then investigated to ensure that any amendments affecting the Valuation List are bona fide and accurate.

## Tayside Valuation Joint Board – Council Tax

**Objective 9: All changes to the Valuation List are reported timeously to the Local Authorities and appropriate notices are issued to taxpayers.**

Of the 60 Council Tax Interface Reports tested we confirmed that in all cases changes to the Valuation List were reported timeously to the relevant Local Authorities. Furthermore, our testing of 60 CT1 forms included seven properties where amendments were required to be made to the Valuation List and Banding Notices as a result of property sales and alterations and in each case, we confirmed that the changes made had been notified to the taxpayer timeously.