

REPORT TO: TAYSIDE VALUATION JOINT BOARD – 23 NOVEMBER 2015

REPORT ON: INTERNAL AUDIT

REPORT BY: ASSESSOR

REPORT NO: TVJB 23-2015

1 PURPOSE OF REPORT

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

Follow-up Reviews

Internal Audit Report 2016/02 – Health & Safety

Internal Audit Report 2016/03 – Council Tax

2 RECOMMENDATIONS

- 2.1 The Joint Board is asked to note the contents of the 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, Chartered Accountants, have been appointed to provide an Internal Audit Service for the period from 1 April 2013 to 31 March 2016. Audit work has proceeded in accordance with the Audit Needs Assessment and Strategic Plan as approved by the Board on 26 August 2013.

- 5.2 Internal Audit Report 2016/02 on Health & Safety is attached as Appendix 1 to this report. The report notes that the overall level of assurance is good and that the systems in place meet the control objectives. No weaknesses or required actions were identified.

- 5.3 Internal Audit Report 2016/03 on Council Tax is attached as Appendix 2 to this report. The report notes that the overall level of assurance is good and that the systems in place meet the control objectives. One minor recommendation was made to the effect that staff should be reminded of the importance of ensuring that CT1 forms are completed in accordance with the Board's procedures. This action point has subsequently been addressed by Management.

6 CONSULTATIONS

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

7 BACKGROUND PAPERS

7.1 None.

**Alastair Kirkwood
Assessor**

November 2015



Tayside Valuation Joint Board

Health & Safety



Internal Audit Report No: 2016/02

Draft Issued: 28 October 2015

Final Issued: 28 October 2015

LEVEL OF ASSURANCE

Good



Content

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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:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires Improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issues which require the consideration of the Joint Board.
Priority 2	Significant matters which can be resolved by the Assessor or Assistant Assessors.
Priority 3	Less significant matters, which do not require urgent attention but which should be followed up within a reasonable timescale.

1. Overall Level of Assurance

Good	System meets control objectives.
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2. Risk Assessment

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

4.7 - Failure to address Health & Safety issues

3. Background

As part of our Internal Audit Programme at Tayside Valuation Joint Board ('the Board') for 2015/16 we carried out a review of the arrangements in place within the Board to deal with Health and Safety (H&S) corporately and across all locations. Our Audit Needs Assessment, issued in August 2013, identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board and the Assessor that the control environment is operating effectively, ensuring risk is maintained at an acceptable level.

The Board has in place a Departmental H&S Policy Statement, which is supported by numerous Safe Working Arrangements (SWAs). In accordance with the Departmental H&S Policy statement the Assessor is ultimately responsible and accountable for achieving the objectives of the Policy and for ensuring that the appropriate policies and procedures are in place and duly observed; however this responsibility has been devolved to an Assistant Assessor who has been appointed H&S Co-ordinator at the Board.

The Departmental H&S Committee at the Board oversee all H&S matters and minutes of these meetings are circulated to all staff, including the Management Team. In accordance with the Board's Health and Safety Policy Statement the Assessor also presents a Health & Safety Annual Report to the Joint Board.

We last reviewed this area in 2012/13. Two recommendations were made at that point and these were followed up and seen to be implemented in May 2014.

4. Scope, Objectives and Overall Findings

This audit reviewed the arrangements in place within the Board to deal with H&S.

The table below notes each separate objective for this review (which collectively underpin the overall objective) and records the results:

Objective	Findings		
	1	2	3
The objective of this audit was to obtain reasonable assurance that:			
	No. of Agreed Actions		
1. a H&S policy and documented procedures which are communicated to all staff.	Good	0	0
2. a formal risk identification and assessment process.	Good	0	0
3. a H&S training programme which includes induction training, refresher training and training for new equipment or legislation.	Good	0	0
4. regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive (HSE).	Good	0	0
5. an incident and accident recording system with follow-up and implementation of new controls where required.	Good	0	0
6. regular reporting of H&S to Management and to the Board.	Good	0	0
Overall Level of Assurance	Good	0	0
		System meets control objectives.	

5. Audit Approach

From discussions with appropriate staff in the Dundee office and review of procedural documentation we identified the internal controls in place and compared these with expected controls and good practice. A walkthrough of key systems was undertaken to confirm our understanding and this was followed up with compliance testing where necessary.

6. Summary of Main Findings

Strengths

- the Board has a documented H&S policy and related procedures which have been communicated to all staff;
- a formal risk identification and assessment process is in place;
- the Board has a formal H&S training programme which includes induction training, refresher training and, where appropriate, training for new equipment and legislation;
- there is regular monitoring of H&S systems to ensure that they are functioning effectively;
- the Board has an incident and accident recording system with follow-up and implementation of new controls where required; and
- there is regular reporting of H&S to Management and the Board.

Weaknesses

- none noted.

7. Acknowledgements

We would like to thank the Board staff, particularly the H&S Co-ordinator, for the co-operation and assistance we received during the course of our audit.

8. Action Plan

Objective 1: The Board has a H&S policy and documented procedures which are communicated to all staff;

The Departmental H&S Policy Statement was formally approved by the Board on 19 August 1996. Since this date there have been minor changes to the Policy Statement; however it has not been considered necessary to have the Board formally approve the Policy Statement again. Our review found that the Policy Statement was last reviewed by the Assessor in July 2013. There is no formal timetable for reviewing the Policy Statement, in accordance with the Policy Statement the document will be reviewed regularly and may be modified from time to time.

The Health and Safety Executive (HSE) publication 'Leading health and safety at work' sets out an agenda for the effective leadership of H&S, highlighting a number of core actions to plan, deliver, monitor and review H&S. The publication states that some boards find it useful to appoint a member of the board as H&S Champion and for H&S training to be provided to some or all members of the board. During our audit the Assessor advised that no Board member has been appointed as H&S Champion, nor have Board members received H&S training; however the Assessor considers that Members are aware of their responsibilities outlined in the Health & Safety Policy Statement which has been approved by the Board. Given that the Board operates in a low risk working environment and that few accidents / incidents have occurred at the Board this has been accepted and therefore no recommendation has been raised within this report.

In addition to the Departmental H&S Policy Statement the Board has developed a wide range of Safe Working Arrangements (SWAs) that are accessible via the staff intranet. The SWAs, where appropriate, refer to the relevant legislation, the responsibilities of staff and hazard identification procedures. The Board's SWAs include, but are not limited to, electrical hazards; property and site inspections; wearing of personal protective equipment; office safety; security of divisional offices; procedures in case of fire and the reporting of accidents.

The H&S Co-ordinator advised that there is no formal timetable for reviewing the SWAs. Such documents are updated when required, mainly as a result of changes in legislation or from issues identified during the Dundee City Council (DCC) H&S Co-ordinators Group meetings, attended by the Board's H&S Co-ordinator. Employees are notified of any changes to SWAs or the H&S Policy Statement via e-mail.

Objective 2: The Board has a formal risk identification and assessment process.

In accordance with the Departmental H&S Policy Statement 'workplace risk assessments will be carried out and reviewed at regular intervals or as required by changes to personnel, layout or equipment'. The risk assessment is a three stage process comprising of 'the identification of all hazards, evaluation of the risks and measures to control or eliminate the risks.'

The H&S Co-ordinator advised that the H&S Representatives at each office are responsible for preparing the risk assessments for their office. We found risk assessments had been prepared for manual handling and display screen equipment (DSE) and these were comprehensive; including an identification of hazards, an evaluation of risks and any actions required to be taken. For one of the new starts identified at paragraph 3.2 below we sought assurance that a DSE risk assessment had been completed. Our testing proved satisfactory.

In addition to the above risk assessments carried out by the Board's H&S Representatives there are fire risk assessments for each office that are performed by the local council. Our review found that the latest fire risk assessments for the Dundee and Angus offices had been completed in 2011, whilst the fire risk assessment for the Perth office was completed during 2010. For issues identified during these assessments action plans were prepared and tasks prioritised which we confirmed during our review have now been completed.

Objective 3: The Board has a H&S training programme which includes induction training, refresher training and training for new equipment or legislation.

The induction programme at the Board requires all new starts to complete a set of induction checklists that include H&S. Such checklists are signed off by the new start and their Line Manager and filed at the Dundee office within the employee's personnel file. The checklists refer to the Board's H&S Policy Statement; the importance of working safely; risks and hazards relating to the job; the fire alarm system; accident and hazard reporting; first aid arrangements and use of protective clothing and equipment. In addition, all employees must sign a form to confirm that they are aware that the Board's policies and guidelines, including the Departmental H&S Policy Statement and SWAs, are available on the intranet and that these documents have been read.

At the time our audit was performed there had been four new starts at the Board during 2015/16. As part of our review we sought assurance that the induction checklists and 'policies and guidelines' form had been completed for these employees. In two instances we found that the induction checklists were not held on the employee's personnel file and for one of these employees we also found that the 'policies and guidelines' form was not on file. The Administration Manager / Finance & Personnel stated that conversations with the relevant staff had confirmed that these documents had been completed. Both employees were new starts at the Perth office and we were advised that as this office had been busy with canvassing the forms had not been sent to the Dundee office for filing. Our review found that the Board's Secretary maintains a record of new starts and the induction forms outstanding. The Secretary regularly e-mails staff to remind them to return outstanding induction forms; as a result no recommendation has been raised within this report.

With the exception of first aid training, which is required every three years, there is no formal timetable in place at the Board for providing H&S refresher training. The H&S Co-ordinator attends quarterly DCC H&S Co-ordinators Group meetings and any training requirements are often identified from matters discussed at these meetings. In addition, a copy of DCC's H&S training calendar is circulated to the Board's H&S Representatives who can request to attend the training or advise which employees at the Board may benefit from such training.

The Board's Secretary maintains a record of all H&S training undertaken by staff at the Board. The record details courses attended, date of attendance, training provider and the attendees. Our review of this record found that various H&S training had been undertaken during the year.

Objective 4: Regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive (HSE).

The Board's Departmental H&S Policy Statement states that: 'the Assessor will be assisted by the H&S Advisers who will, inter alia, analyse accident causes and trends, carry out a programme of planned and random inspections and undertake formal safety audits'. Our review found that regular inspections and testing is carried out at each office in relation to fire extinguishers and fire alarms and evacuations. Any issues identified during this testing will be rectified timeously and reported at the forthcoming Departmental H&S Committee meeting. Portable Appliance Testing (PAT) is also performed at the Board by an external company every three years. For the years in which PAT is not performed, the H&S Representatives and IT staff at the Board seek to carry out formal visual inspections of electrical equipment. A record of these inspections is held centrally in the Dundee office.

A 'Workplace Annual H&S Self-Inspection Checklist' is completed by the H&S Representatives at each office and submitted to the H&S Co-ordinator. The checklist covers several areas such as accidents / incidents; risk assessments; fire and electrical safety, hazardous substances; DSE and manual handling. Each answer on the Checklist generates points, with the points varying depending on the answer given. Once the Checklist is completed the points are totalled to give an overall score that can be used to benchmark the office against the Board's other offices and prior year scores.

As noted within our Internal Audit Report 2013~02, issued on 1 November 2012, construction site inspections are not performed by the Board; however employees' responsibility to wear appropriate safety equipment is clearly documented within the SWAs and safety notices are present at all construction sites. This has been accepted.

The H&S Co-ordinator confirmed there had been no H&S audits performed at the Board by the HSE or any other bodies since our last H&S audit in 2012/13.

Tayside Valuation Joint Board – Health & Safety

Objective 5: The Board has an incident and accident recording system with follow-up and implementation of new controls where required.

In accordance with the Board's Departmental H&S Policy Statement all accidents involving employees or non-employees occurring as a result of the Board's undertakings shall be recorded. The SWA 'Reporting Accidents' informs staff of their responsibilities in relation to reporting accidents and how to access the accident record book. The Board also has in place a H&S incident report form and instructions for completing this form, which are accessible on the staff intranet.

All accident records and incident forms are submitted to the Dundee office for filing and reported within the Departmental H&S Committee meeting minutes. Our review of the accident records found that no accidents had been recorded during 2015 or 2014 and only two recorded in 2013. Our testing identified that one incident was recorded in 2015 and 2014. As part of our testing we sought assurance that the accident records and incident forms were complete, investigations had been carried out where appropriate and the accidents / incidents had been documented within the Departmental H&S Committee meeting minutes. Our testing proved satisfactory. In all instances we found the accident and incident to be minor with new controls implemented where necessary.

During our audit the H&S Co-ordinator advised that there had been no accidents at the Board which were reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 1995.

Objective 6: Regular reporting of H&S to Management and to the Board.

The Board's Departmental H&S Committee meet twice per annum and the minutes of these meetings are circulated to all staff, including the Management Team. Any changes to H&S policies and procedures which are proposed by the Departmental H&S Committee are submitted for formal approval to the Policy & Strategy Management Group which meets eight times per annum. H&S is a standing agenda item at these Group meetings.

An Annual H&S Report is prepared by the Assessor and submitted to the Board. As part of our review we obtained a copy of the most recent Report presented to the Board on 24 August 2015 and compared the content of this report to best practice as detailed in the HSE publication 'Revitalising Health and Safety: Health and Safety in Annual Reports'. Our review found that the Report conformed with best practice, disclosing the Board's Departmental H&S Policy Statement's general principles; significant risks faced by the Board's employees and providing a comparison of sickness absence statistics against the prior year.



Tayside Valuation Joint Board

Council Tax



Internal Audit Report No: 2016/03

Draft Issued: 27 October 2015

Final Issued: 28 October 2015

LEVEL OF ASSURANCE

Good



Content

Page No.

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Action Grades

Priority 1	Issues which require the consideration of the Joint Board.
Priority 2	Significant matters which can be resolved by the Assessor or Assistant Assessors.
Priority 3	Less significant matters, which do not require urgent attention but which should be followed up within a reasonable timescale.

1. Overall Level of Assurance

Good	System meets control objectives.
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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 2015/16 we carried out a review of the Board's Council Tax Valuation List arrangements. The 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 the 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. The Board is responsible for maintaining the accuracy of the List for Angus, Dundee City and Perth & Kinross Councils.

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.

As at 1 April 2015 there were approximately 198,000 dwellings subject to Council Tax on the List for Tayside, and a further 7,500 exempt dwellings.

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.

The table below notes each separate objective for this review (which collectively underpin the overall objective) and records the results:

Objective	Findings			
	1	2	3	
The objective of this audit was to obtain reasonable assurance that:	No. of Agreed Actions			
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	1
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
Overall Level of Assurance	Good	0	0	1
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 compared these with expected controls. Audit testing was then carried out to ensure that the controls in place are operating effectively. Three recommendations from our previous Council Tax report that were assessed as partially implemented in June 2015 were also followed up.

6. Summary of Main Findings

Strengths

- Testing of a sample of Council Tax properties relating to new entries, sales and alterations, and deletions 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 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.
- Good progress has been made in recent years to adopt a more uniform approach to working practices and reporting across the three offices by making more efficient use of the Board's electronic document library system. Further development of this area remains ongoing.

Weaknesses

- Testing of Council Tax Input Records identified two minor instances of non-compliance where staff had not signed the forms to show that the Valuation List had been updated and that the Bandings Notice had been checked. However, our testing of the Council Tax Interface reports confirmed that the Valuation List and the Banding Notice had been accurately updated.

7. Acknowledgements

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

8. 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 regions 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 may be performed more frequently particularly where it has been identified that new housing is being developed.

Report 2013/04 – Council Tax Follow-up:

As at June 2015 three recommendations from the above report were deemed to be partially completed. This included one in relation to developing the warrants system to produce exception reports which list properties where a valuation is due but where no action has been taken or notes updated within a reasonable timescale as prescribed by management.

We also recommended that consideration should be given to standardising the summary reports produced by the valuers across all three offices.

As part of this audit we reviewed the Board's systems which are used in the assessment of the valuation of domestic properties for Council Tax purposes. We noted that since we last reviewed this area in 2012/13 a significant amount of development work has been undertaken to improve the property details recorded in the Board's systems and the reports which are then generated from the system. Since May 2015, the old manually produced CT1 cards have now been replaced by CT1 forms which are system generated and linked to the property details entered into the Board's systems. For the sample of properties tested we noted that all offices are now making use of the systems in the same way. It is our understanding that the next phase of the development of the Board's systems, when time and resources allow, will be to introduce a similar approach to the Non-Domestic Rates processes.

Tayside Valuation Joint Board – Council Tax

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.

Although the local authority is responsible for allocating addresses to properties 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 accurate and complete. Full technical details of the property should be recorded in the Board’s electronic library facility with details of the required evidence contained in 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 on a ‘Council Tax Input Record’ (CT1). 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 valuer.

Our testing included selecting a random sample of 60 CT1 forms from across each of the three offices, ensuring that forms valuations 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 were in 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.

Observation	Risk	Recommendation	Management Response
Our sample of 20 CT1 forms tested in the Dundee office identified two minor instances where the CT1 form had not been fully completed with no details being recorded showing when and by whom the Valuation List had been altered and the banding notice had been checked for accuracy. Further testing confirmed that the amendments noted on the CT1 form had been included on the Council Tax Interface Report to show that the Valuation List had been correctly updated.	CT1 forms are not being completed in line with the Board’s procedures.	R1 Staff should be reminded of the importance of ensuring that CT1 forms are completed in accordance with the Board’s procedures, including recording that the Valuation List has been altered and that the banding notice has been checked.	Agreed. To be actioned by: D Allan No later than: 30/11/15
			Grade 3

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 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 offices 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 selecting a random sample of five appeals 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 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.

Report 2013/04 – Council Tax Follow-up:

Following our findings reported in the above report we previously recommended that staff should be reminded of the importance of ensuring that CT1 cards are completed in accordance with the Board's procedures, including recording that the Valuation List has been altered and that the banding notice has been checked. The management response at the time stated that the format of the CT1 cards was to be revised. Our follow-up work in May 2014 noted that an e-mail was issued by the Assistant Assessor reminding staff of the importance of ensuring that CT1 cards are completed in accordance with the Board's procedures. Testing as part of this review noted that a revised CT1 document has since been implemented and CT1 cards have now been replaced with an electronic word template which is directly linked to the documents library and the valuation calculations sheets thereby removing several manual processes. The new CT1 templates are now printed off and signed by staff at each various stage of the process, including authorisation by the Valuer, applying changes to the Valuation List and checking the CT banding by Clerical staff.

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

A report detailing all new entries and changes made to council tax records in the preceding week is produced on a weekly basis. The Board's internal procedures outline the controls in place to ensure the accuracy of the updates to the Valuation List which includes; 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 the local authority.

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 adequate controls are in place to ensure that any late amendments to the current List are picked up and reflected in the new List.

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

Our review included reviewing a sample of 60 Council Tax Interface Reports across the three offices 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.

Testing at all three offices 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 at all three offices.

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.

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 *Security Of Information Technology Systems* which has been issued to all staff. The guidance 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. The guidance refers to the Board's password policy which states that passwords must be changed at least once every three months. Systems are set up to prompt users to change passwords if a change has not been made within the required period. 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, We found these controls to be good.

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 testing of CT1 forms detailed earlier in this report included ensuring any deletions and amendments to properties on the Valuation List were properly authorised and approved by suitably qualified professional and technical staff. In all cases tested we found that they were. We also ensured that any amendments or deletions of properties on the Valuation List contained sufficient and appropriate supporting documents.

In our report 2013/04 Council Tax issued in February 2013 we identified that there was no formal requirement for staff to complete a return listing any properties in which members of staff may have a personal interest, although employees were advised by management not to make alterations to any domestic properties in which they have a personal interest. Discussions with staff and review of documentation noted that there is now a formal requirement for staff to complete an annual return listing any properties in which members of staff may have a personal interest. Such properties are flagged in the Valuation List and reports are generated and reviewed each month by the Depute 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. We regard the controls in place in this area to be good.

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 Local Authorities. Furthermore, our testing of 60 CT1 forms included ten 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 changes had been notified to the taxpayer timeously.



Tayside Valuation Joint Board

Health & Safety



Internal Audit Report No: 2016/02

Draft Issued: 28 October 2015

Final Issued: 28 October 2015

LEVEL OF ASSURANCE

Good



Content

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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:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires Improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issues which require the consideration of the Joint Board.
Priority 2	Significant matters which can be resolved by the Assessor or Assistant Assessors.
Priority 3	Less significant matters, which do not require urgent attention but which should be followed up within a reasonable timescale.

1. Overall Level of Assurance

Good	System meets control objectives.
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2. Risk Assessment

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

4.7 - Failure to address Health & Safety issues

3. Background

As part of our Internal Audit Programme at Tayside Valuation Joint Board ('the Board') for 2015/16 we carried out a review of the arrangements in place within the Board to deal with Health and Safety (H&S) corporately and across all locations. Our Audit Needs Assessment, issued in August 2013, identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board and the Assessor that the control environment is operating effectively, ensuring risk is maintained at an acceptable level.

The Board has in place a Departmental H&S Policy Statement, which is supported by numerous Safe Working Arrangements (SWAs). In accordance with the Departmental H&S Policy statement the Assessor is ultimately responsible and accountable for achieving the objectives of the Policy and for ensuring that the appropriate policies and procedures are in place and duly observed; however this responsibility has been devolved to an Assistant Assessor who has been appointed H&S Co-ordinator at the Board.

The Departmental H&S Committee at the Board oversee all H&S matters and minutes of these meetings are circulated to all staff, including the Management Team. In accordance with the Board's Health and Safety Policy Statement the Assessor also presents a Health & Safety Annual Report to the Joint Board.

We last reviewed this area in 2012/13. Two recommendations were made at that point and these were followed up and seen to be implemented in May 2014.

4. Scope, Objectives and Overall Findings

This audit reviewed the arrangements in place within the Board to deal with H&S.

The table below notes each separate objective for this review (which collectively underpin the overall objective) and records the results:

Objective	Findings		
	1	2	3
The objective of this audit was to obtain reasonable assurance that:			
	No. of Agreed Actions		
1. a H&S policy and documented procedures which are communicated to all staff.	Good	0	0
2. a formal risk identification and assessment process.	Good	0	0
3. a H&S training programme which includes induction training, refresher training and training for new equipment or legislation.	Good	0	0
4. regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive (HSE).	Good	0	0
5. an incident and accident recording system with follow-up and implementation of new controls where required.	Good	0	0
6. regular reporting of H&S to Management and to the Board.	Good	0	0
Overall Level of Assurance	Good	0	0
		System meets control objectives.	

5. Audit Approach

From discussions with appropriate staff in the Dundee office and review of procedural documentation we identified the internal controls in place and compared these with expected controls and good practice. A walkthrough of key systems was undertaken to confirm our understanding and this was followed up with compliance testing where necessary.

6. Summary of Main Findings

Strengths

- the Board has a documented H&S policy and related procedures which have been communicated to all staff;
- a formal risk identification and assessment process is in place;
- the Board has a formal H&S training programme which includes induction training, refresher training and, where appropriate, training for new equipment and legislation;
- there is regular monitoring of H&S systems to ensure that they are functioning effectively;
- the Board has an incident and accident recording system with follow-up and implementation of new controls where required; and
- there is regular reporting of H&S to Management and the Board.

Weaknesses

- none noted.

7. Acknowledgements

We would like to thank the Board staff, particularly the H&S Co-ordinator, for the co-operation and assistance we received during the course of our audit.

8. Action Plan

Objective 1: The Board has a H&S policy and documented procedures which are communicated to all staff;

The Departmental H&S Policy Statement was formally approved by the Board on 19 August 1996. Since this date there have been minor changes to the Policy Statement; however it has not been considered necessary to have the Board formally approve the Policy Statement again. Our review found that the Policy Statement was last reviewed by the Assessor in July 2013. There is no formal timetable for reviewing the Policy Statement, in accordance with the Policy Statement the document will be reviewed regularly and may be modified from time to time.

The Health and Safety Executive (HSE) publication 'Leading health and safety at work' sets out an agenda for the effective leadership of H&S, highlighting a number of core actions to plan, deliver, monitor and review H&S. The publication states that some boards find it useful to appoint a member of the board as H&S Champion and for H&S training to be provided to some or all members of the board. During our audit the Assessor advised that no Board member has been appointed as H&S Champion, nor have Board members received H&S training; however the Assessor considers that Members are aware of their responsibilities outlined in the Health & Safety Policy Statement which has been approved by the Board. Given that the Board operates in a low risk working environment and that few accidents / incidents have occurred at the Board this has been accepted and therefore no recommendation has been raised within this report.

In addition to the Departmental H&S Policy Statement the Board has developed a wide range of Safe Working Arrangements (SWAs) that are accessible via the staff intranet. The SWAs, where appropriate, refer to the relevant legislation, the responsibilities of staff and hazard identification procedures. The Board's SWAs include, but are not limited to, electrical hazards; property and site inspections; wearing of personal protective equipment; office safety; security of divisional offices; procedures in case of fire and the reporting of accidents.

The H&S Co-ordinator advised that there is no formal timetable for reviewing the SWAs. Such documents are updated when required, mainly as a result of changes in legislation or from issues identified during the Dundee City Council (DCC) H&S Co-ordinators Group meetings, attended by the Board's H&S Co-ordinator. Employees are notified of any changes to SWAs or the H&S Policy Statement via e-mail.

Objective 2: The Board has a formal risk identification and assessment process.

In accordance with the Departmental H&S Policy Statement ‘workplace risk assessments will be carried out and reviewed at regular intervals or as required by changes to personnel, layout or equipment’. The risk assessment is a three stage process comprising of ‘the identification of all hazards, evaluation of the risks and measures to control or eliminate the risks.’

The H&S Co-ordinator advised that the H&S Representatives at each office are responsible for preparing the risk assessments for their office. We found risk assessments had been prepared for manual handling and display screen equipment (DSE) and these were comprehensive; including an identification of hazards, an evaluation of risks and any actions required to be taken. For one of the new starts identified at paragraph 3.2 below we sought assurance that a DSE risk assessment had been completed. Our testing proved satisfactory.

In addition to the above risk assessments carried out by the Board’s H&S Representatives there are fire risk assessments for each office that are performed by the local council. Our review found that the latest fire risk assessments for the Dundee and Angus offices had been completed in 2011, whilst the fire risk assessment for the Perth office was completed during 2010. For issues identified during these assessments action plans were prepared and tasks prioritised which we confirmed during our review have now been completed.

Objective 3: The Board has a H&S training programme which includes induction training, refresher training and training for new equipment or legislation.

The induction programme at the Board requires all new starts to complete a set of induction checklists that include H&S. Such checklists are signed off by the new start and their Line Manager and filed at the Dundee office within the employee's personnel file. The checklists refer to the Board's H&S Policy Statement; the importance of working safely; risks and hazards relating to the job; the fire alarm system; accident and hazard reporting; first aid arrangements and use of protective clothing and equipment. In addition, all employees must sign a form to confirm that they are aware that the Board's policies and guidelines, including the Departmental H&S Policy Statement and SWAs, are available on the intranet and that these documents have been read.

At the time our audit was performed there had been four new starts at the Board during 2015/16. As part of our review we sought assurance that the induction checklists and 'policies and guidelines' form had been completed for these employees. In two instances we found that the induction checklists were not held on the employee's personnel file and for one of these employees we also found that the 'policies and guidelines' form was not on file. The Administration Manager / Finance & Personnel stated that conversations with the relevant staff had confirmed that these documents had been completed. Both employees were new starts at the Perth office and we were advised that as this office had been busy with canvassing the forms had not been sent to the Dundee office for filing. Our review found that the Board's Secretary maintains a record of new starts and the induction forms outstanding. The Secretary regularly e-mails staff to remind them to return outstanding induction forms; as a result no recommendation has been raised within this report.

With the exception of first aid training, which is required every three years, there is no formal timetable in place at the Board for providing H&S refresher training. The H&S Co-ordinator attends quarterly DCC H&S Co-ordinators Group meetings and any training requirements are often identified from matters discussed at these meetings. In addition, a copy of DCC's H&S training calendar is circulated to the Board's H&S Representatives who can request to attend the training or advise which employees at the Board may benefit from such training.

The Board's Secretary maintains a record of all H&S training undertaken by staff at the Board. The record details courses attended, date of attendance, training provider and the attendees. Our review of this record found that various H&S training had been undertaken during the year.

Objective 4: Regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive (HSE).

The Board's Departmental H&S Policy Statement states that: 'the Assessor will be assisted by the H&S Advisers who will, inter alia, analyse accident causes and trends, carry out a programme of planned and random inspections and undertake formal safety audits'. Our review found that regular inspections and testing is carried out at each office in relation to fire extinguishers and fire alarms and evacuations. Any issues identified during this testing will be rectified timeously and reported at the forthcoming Departmental H&S Committee meeting. Portable Appliance Testing (PAT) is also performed at the Board by an external company every three years. For the years in which PAT is not performed, the H&S Representatives and IT staff at the Board seek to carry out formal visual inspections of electrical equipment. A record of these inspections is held centrally in the Dundee office.

A 'Workplace Annual H&S Self-Inspection Checklist' is completed by the H&S Representatives at each office and submitted to the H&S Co-ordinator. The checklist covers several areas such as accidents / incidents; risk assessments; fire and electrical safety, hazardous substances; DSE and manual handling. Each answer on the Checklist generates points, with the points varying depending on the answer given. Once the Checklist is completed the points are totalled to give an overall score that can be used to benchmark the office against the Board's other offices and prior year scores.

As noted within our Internal Audit Report 2013~02, issued on 1 November 2012, construction site inspections are not performed by the Board; however employees' responsibility to wear appropriate safety equipment is clearly documented within the SWAs and safety notices are present at all construction sites. This has been accepted.

The H&S Co-ordinator confirmed there had been no H&S audits performed at the Board by the HSE or any other bodies since our last H&S audit in 2012/13.

Tayside Valuation Joint Board – Health & Safety

Objective 5: The Board has an incident and accident recording system with follow-up and implementation of new controls where required.

In accordance with the Board's Departmental H&S Policy Statement all accidents involving employees or non-employees occurring as a result of the Board's undertakings shall be recorded. The SWA 'Reporting Accidents' informs staff of their responsibilities in relation to reporting accidents and how to access the accident record book. The Board also has in place a H&S incident report form and instructions for completing this form, which are accessible on the staff intranet.

All accident records and incident forms are submitted to the Dundee office for filing and reported within the Departmental H&S Committee meeting minutes. Our review of the accident records found that no accidents had been recorded during 2015 or 2014 and only two recorded in 2013. Our testing identified that one incident was recorded in 2015 and 2014. As part of our testing we sought assurance that the accident records and incident forms were complete, investigations had been carried out where appropriate and the accidents / incidents had been documented within the Departmental H&S Committee meeting minutes. Our testing proved satisfactory. In all instances we found the accident and incident to be minor with new controls implemented where necessary.

During our audit the H&S Co-ordinator advised that there had been no accidents at the Board which were reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 1995.

Objective 6: Regular reporting of H&S to Management and to the Board.

The Board's Departmental H&S Committee meet twice per annum and the minutes of these meetings are circulated to all staff, including the Management Team. Any changes to H&S policies and procedures which are proposed by the Departmental H&S Committee are submitted for formal approval to the Policy & Strategy Management Group which meets eight times per annum. H&S is a standing agenda item at these Group meetings.

An Annual H&S Report is prepared by the Assessor and submitted to the Board. As part of our review we obtained a copy of the most recent Report presented to the Board on 24 August 2015 and compared the content of this report to best practice as detailed in the HSE publication 'Revitalising Health and Safety: Health and Safety in Annual Reports'. Our review found that the Report conformed with best practice, disclosing the Board's Departmental H&S Policy Statement's general principles; significant risks faced by the Board's employees and providing a comparison of sickness absence statistics against the prior year.



Tayside Valuation Joint Board

Council Tax



Internal Audit Report No: 2016/03

Draft Issued: 27 October 2015

Final Issued: 28 October 2015

LEVEL OF ASSURANCE

Good



Content

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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:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires Improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issues which require the consideration of the Joint Board.
Priority 2	Significant matters which can be resolved by the Assessor or Assistant Assessors.
Priority 3	Less significant matters, which do not require urgent attention but which should be followed up within a reasonable timescale.

1. Overall Level of Assurance

Good	System meets control objectives.
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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 2015/16 we carried out a review of the Board's Council Tax Valuation List arrangements. The 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 the 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. The Board is responsible for maintaining the accuracy of the List for Angus, Dundee City and Perth & Kinross Councils.

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.

As at 1 April 2015 there were approximately 198,000 dwellings subject to Council Tax on the List for Tayside, and a further 7,500 exempt dwellings.

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.

The table below notes each separate objective for this review (which collectively underpin the overall objective) and records the results:

Objective	Findings			
	1	2	3	
The objective of this audit was to obtain reasonable assurance that:	No. of Agreed Actions			
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	1
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
Overall Level of Assurance	Good	0	0	1
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 compared these with expected controls. Audit testing was then carried out to ensure that the controls in place are operating effectively. Three recommendations from our previous Council Tax report that were assessed as partially implemented in June 2015 were also followed up.

6. Summary of Main Findings

Strengths

- Testing of a sample of Council Tax properties relating to new entries, sales and alterations, and deletions 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 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.
- Good progress has been made in recent years to adopt a more uniform approach to working practices and reporting across the three offices by making more efficient use of the Board's electronic document library system. Further development of this area remains ongoing.

Weaknesses

- Testing of Council Tax Input Records identified two minor instances of non-compliance where staff had not signed the forms to show that the Valuation List had been updated and that the Bandings Notice had been checked. However, our testing of the Council Tax Interface reports confirmed that the Valuation List and the Banding Notice had been accurately updated.

7. Acknowledgements

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

8. 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 regions 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 may be performed more frequently particularly where it has been identified that new housing is being developed.

Report 2013/04 – Council Tax Follow-up:

As at June 2015 three recommendations from the above report were deemed to be partially completed. This included one in relation to developing the warrants system to produce exception reports which list properties where a valuation is due but where no action has been taken or notes updated within a reasonable timescale as prescribed by management.

We also recommended that consideration should be given to standardising the summary reports produced by the valuers across all three offices.

As part of this audit we reviewed the Board's systems which are used in the assessment of the valuation of domestic properties for Council Tax purposes. We noted that since we last reviewed this area in 2012/13 a significant amount of development work has been undertaken to improve the property details recorded in the Board's systems and the reports which are then generated from the system. Since May 2015, the old manually produced CT1 cards have now been replaced by CT1 forms which are system generated and linked to the property details entered into the Board's systems. For the sample of properties tested we noted that all offices are now making use of the systems in the same way. It is our understanding that the next phase of the development of the Board's systems, when time and resources allow, will be to introduce a similar approach to the Non-Domestic Rates processes.

Tayside Valuation Joint Board – Council Tax

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.

Although the local authority is responsible for allocating addresses to properties 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 accurate and complete. Full technical details of the property should be recorded in the Board’s electronic library facility with details of the required evidence contained in 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 on a ‘Council Tax Input Record’ (CT1). 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 valuer.

Our testing included selecting a random sample of 60 CT1 forms from across each of the three offices, ensuring that forms valuations 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 were in 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.

Observation	Risk	Recommendation	Management Response
Our sample of 20 CT1 forms tested in the Dundee office identified two minor instances where the CT1 form had not been fully completed with no details being recorded showing when and by whom the Valuation List had been altered and the banding notice had been checked for accuracy. Further testing confirmed that the amendments noted on the CT1 form had been included on the Council Tax Interface Report to show that the Valuation List had been correctly updated.	CT1 forms are not being completed in line with the Board’s procedures.	R1 Staff should be reminded of the importance of ensuring that CT1 forms are completed in accordance with the Board’s procedures, including recording that the Valuation List has been altered and that the banding notice has been checked.	Agreed. To be actioned by: D Allan No later than: 30/11/15
			Grade 3

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 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 offices 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 selecting a random sample of five appeals 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 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.

Report 2013/04 – Council Tax Follow-up:

Following our findings reported in the above report we previously recommended that staff should be reminded of the importance of ensuring that CT1 cards are completed in accordance with the Board's procedures, including recording that the Valuation List has been altered and that the banding notice has been checked. The management response at the time stated that the format of the CT1 cards was to be revised. Our follow-up work in May 2014 noted that an e-mail was issued by the Assistant Assessor reminding staff of the importance of ensuring that CT1 cards are completed in accordance with the Board's procedures. Testing as part of this review noted that a revised CT1 document has since been implemented and CT1 cards have now been replaced with an electronic word template which is directly linked to the documents library and the valuation calculations sheets thereby removing several manual processes. The new CT1 templates are now printed off and signed by staff at each various stage of the process, including authorisation by the Valuer, applying changes to the Valuation List and checking the CT banding by Clerical staff.

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

A report detailing all new entries and changes made to council tax records in the preceding week is produced on a weekly basis. The Board's internal procedures outline the controls in place to ensure the accuracy of the updates to the Valuation List which includes; 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 the local authority.

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 adequate controls are in place to ensure that any late amendments to the current List are picked up and reflected in the new List.

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

Our review included reviewing a sample of 60 Council Tax Interface Reports across the three offices 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.

Testing at all three offices 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 at all three offices.

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.

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 *Security Of Information Technology Systems* which has been issued to all staff. The guidance 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. The guidance refers to the Board's password policy which states that passwords must be changed at least once every three months. Systems are set up to prompt users to change passwords if a change has not been made within the required period. 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, We found these controls to be good.

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 testing of CT1 forms detailed earlier in this report included ensuring any deletions and amendments to properties on the Valuation List were properly authorised and approved by suitably qualified professional and technical staff. In all cases tested we found that they were. We also ensured that any amendments or deletions of properties on the Valuation List contained sufficient and appropriate supporting documents.

In our report 2013/04 Council Tax issued in February 2013 we identified that there was no formal requirement for staff to complete a return listing any properties in which members of staff may have a personal interest, although employees were advised by management not to make alterations to any domestic properties in which they have a personal interest. Discussions with staff and review of documentation noted that there is now a formal requirement for staff to complete an annual return listing any properties in which members of staff may have a personal interest. Such properties are flagged in the Valuation List and reports are generated and reviewed each month by the Depute 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. We regard the controls in place in this area to be good.

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 Local Authorities. Furthermore, our testing of 60 CT1 forms included ten 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 changes had been notified to the taxpayer timeously.