

REPORT TO: TAYSIDE VALUATION JOINT BOARD – 30 AUGUST 2021

REPORT ON: INTERNAL AUDIT

REPORT BY: ASSESSOR

REPORT NO: TVJB 16-2021

1 PURPOSE OF REPORT

1.1 To present to the Board the following Internal Audit Plan for 2021/22 which is attached as an Appendix to this report:-

2 RECOMMENDATIONS

2.1 The Joint Board is asked to approve the Internal Audit Plan for 20/21.

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, were appointed to provide an Internal Audit Service in respect of the financial years 1 April 2019 to 31 March 2022. Audit work has proceeded in accordance with the Audit Needs Assessment and Strategic Plan for the period 2016 to 2019 as approved by the Joint Board on 26 August 2019.

5.2 The Internal Audit Annual Plan 2021/22 (No 2022/01) is attached as an Appendix to this report. It sets out the scope and objectives for assignments which will be carried out by Internal Audit during the year 2021/22. At the conclusion of each assignment a detailed report will be made to the Joint Board. The assignments include:

- Council Tax
- Maintenance of Accuracy of the Electoral Register
- Budgetary Control
- Follow-Up Reviews

6 CONSULTATIONS

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

7 BACKGROUND PAPERS

7.1 None.

Tayside Valuation Joint Board

Internal Audit Annual Plan 2021/22

Internal Audit Report No: 2022/01

Draft issued: 11 August 2021

Final issued: 11 August 2021



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Introduction

- 1.1 The purpose of this document is to present to the members of Tayside Valuation Joint Board ('the Board') the annual internal audit operating plan for the year ended 31 March 2022. The plan is based on the proposed allocation of audit days for 2021/22 set out in the Audit Needs Assessment and Strategic Plan 2019 to 2022. The preparation of the Strategic Plan involved dialogue with management and with the Treasurer (via the Assessor).
- 1.2 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2021/22, together with the proposed audit approach. These were arrived at following discussion with the Assessor.
- 1.3 Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised. In addition, audit findings will be assessed and graded on an overall basis to denote the level of priority that should be given to each report.
- 1.4 Our audit service complies with the Public Sector Internal Audit Standards (PSIAS).



Strategic Plan 2019 to 2022

	Category	Priority	Actual 2019/20 Days	Actual 2020/21 Days	Planned 2021/22 Days
Reputation					
<i>Compliance with Legislation</i>	Gov	M		3	
<i>Performance Reporting</i>	Gov	M	3		
Council Tax					
<i>Maintenance of the Accuracy of Records Relating to Property Bandings / Valuation and Updating Procedures / Administering Proposals / Control of Input to the Valuation List</i>	Perf	M			4
Non-Domestic Rates					
<i>Maintenance of the Accuracy of Records Relating to Current Property Values / Valuation and Updating Procedures / Administering Appeals / Control of Input to the Valuation Roll</i>	Perf	M		5	
Electoral Register					
<i>Maintenance of Accuracy of the Electoral Register</i>	Perf	M			4
Staffing Issues					
<i>Staff recruitment and retention / Staff Development</i>	Perf	M	4		
Financial Issues					
<i>Budgetary control</i>	Fin	M			4
Organisational Issues					
<i>Corporate governance</i>	Gov	M		4	
Information and IT					
<i>IT Network Arrangements / Cyber Security</i>	Perf	M	3		
Other Audit Activities					
<i>Management and Planning</i>)			2	2	2
<i>External audit</i>)					
<i>Attendance at audit committees</i>)					
<i>Follow-up reviews</i>		Various	1	1	1
<i>Audit Needs Assessment</i>			2		
Total			15	15	15
			=====	=====	=====

Key

Category: Gov – Governance; Perf – Performance; Fin – Financial

Priority: H – High; M – Medium; L – Low



Outline Scope and Objectives

Audit Assignment:	Council Tax
Priority:	Medium
Joint Board Meeting:	November 2021
Days:	4

Scope

This audit will review 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.

Objectives

The specific objectives of the review will be to seek reasonable assurance that:

- 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;
- any changes; new entries and amendments to properties on the Valuation List are properly authorised and approved by suitably qualified professional and technical staff;
- 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;
- checks are in place to ensure that the Valuation List is accurately and timeously amended to record the outcome of an appeal;
- controls are in place to ensure that late amendments to the current List are picked up and reflected in the new List;
- only authorised staff can input amendments and all new entries are checked independently and evidenced;
- authorised staff change their passwords in line with pre-determined password policies and where staff leave their access is suspended;
- 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; and
- all changes to the Valuation List are reported timeously to the Local Authorities and appropriate notices are issued to taxpayers.

Our audit approach will be:

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



Internal Audit Annual Plan 2021/22

Audit Assignment:	Maintenance of Accuracy of the Electoral Register
Priority:	Medium
Joint Board Meeting:	June 2022
Days:	4

Scope

This audit will review the adequacy and effectiveness of the controls and procedures in place to ensure that the Registers of Electors published annually for the Angus and Perth and Kinross council areas are up to date and accurate.

Objectives

The specific objectives of the review will be to seek reasonable assurance that:

- there are appropriate procedures and checks in place to ensure that all relevant households in the Angus and Perth & Kinross council areas are on the registers and are included in the annual canvass;
- checks are in place for recording all registration applications received, including those made via the UK Government’s digital service, by telephone and in writing;
- adequate procedures are in place to ensure accurate processing and updating of the system for all changes, including those arising from the annual canvass;
- adequate procedures are in place to ensure those who elect to be excluded from the open register are;
- appropriate procedures are in place for postal and proxy votes and they are properly controlled;
- adequate procedures and checks are in place to ensure that the information in the electoral register and the open register are accurate;
- adequate controls are in place to ensure that requests for information from external parties are dealt with appropriately; and
- only authorised staff can input amendments and they change their passwords in line with pre-determined password policies. Where staff leave their access is suspended.

Our audit approach will be:

From discussion with relevant staff, and review of procedural documentation, we will identify the key internal controls in place within the electoral registration system and compare these with expected controls. Audit testing will then be carried out to ensure that the controls in place are operating effectively.



Internal Audit Annual Plan 2021/22

Audit Assignment:	Budgetary Control
Priority:	Medium
Joint Board Meeting:	January 2022
Days:	4

Scope

This review will cover the processes and controls in place for budget setting and budgetary control within the Tayside Valuation Joint Board.

Objectives

The overall objective of our audit will be to obtain reasonable assurance that adequate systems are in place covering budget setting and budgetary control.

Specific objectives will be to obtain assurance that:

- budgets are set and approved in accordance with the Financial Regulations and Procedures;
- budgets are controlled and monitored in accordance with the Financial Regulations and Procedures;
- budget information is available to management which is up-to-date and in a format that can be easily understood;
- budget holders have the necessary skills for managing budgets;
- budget variations are reported and acted upon; and
- senior management and the Board regularly review the overall financial position.

Our audit approach will be:

We will assess whether the above objectives have been met by documenting the systems and controls through interviews with the Assessor, the Treasurer, Finance staff and a sample of budget holders within the Board and by review of regulations, procedures and guidance issued to budget setters and holders. We will review the information provided to budget holders and the budget reports used internally and submitted to the Board. We will also seek to establish whether the expected key controls are in place by reference to good practice.

Finally, we will perform compliance testing where necessary to determine whether these controls are working effectively



Internal Audit Annual Plan 2021/22

Audit Assignment:	Follow-Up Reviews
Priority:	Various
Joint Board Meeting:	June 2022
Days:	1

Scope

This review will cover the following reports from the 2020/21 internal audit programme and reports from earlier years where previous follow-up identified recommendations outstanding:

- Report 2021/05 – Follow-up Reviews.

Internal Audit Reports 2021/01 – Annual Plan 2020/21, 2021/02 – Corporate Governance, 2021/03 – Non Domestic Rates, and 2021/04 – Compliance with Legislation did not contain any action plans and therefore no follow-up of these reports is required.

Objective

The objective of our follow-up review will be to assess whether recommendations made in internal audit reports from 2020/21 (and outstanding actions from previous years) have been appropriately implemented and to ensure that where little or no progress has been made towards implementation, that plans are in place to progress them.

Audit Approach

- to request from responsible officers for each report listed above an update on the status of implementation of the recommendations made;
- to ascertain by review of supporting documentation, for any significant recommendations within the reports listed above, whether action undertaken has been adequate; and
- prepare a summary of the current status of the recommendations for the Joint Board.



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