

REPORT TO: TAYSIDE VALUATION JOINT BOARD – 28 AUGUST 2023

REPORT ON: INTERNAL AUDIT

REPORT BY: ASSESSOR

REPORT NO: TVJB 19-2023

1 PURPOSE OF REPORT

1.1 To present to the Joint Board the Internal Audit Annual Plan for 2023/24 which is attached as an Appendix to this report.

2 RECOMMENDATIONS

2.1 The Joint Board is asked to approve the Internal Audit Annual Plan for 2023/24.

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 three year period from 1 April 2022 to 31 March 2025. Audit work has proceeded in accordance with the Audit Needs Assessment and Strategic Plan for the period 2022 to 2025 as approved by the Joint Board on 29 August 2022.

5.2 The Internal Audit Annual Plan 2023/24 (No. 2024/01) 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 2023/24. At the conclusion of each assignment a detailed report will be made to the Joint Board. The assignments include:

- Non-Domestic Rates
- Payroll
- Corporate Governance
- Follow-Up Reviews

6 CONSULTATIONS

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

7 BACKGROUND PAPERS

7.1 None.

Tayside Valuation Joint Board

Internal Audit Annual Plan 2023/24

Internal Audit Report No: 2024/01

Draft issued: 31 July 2023

Final issued: ...



Contents

		Page
Section 1	Introduction	1
Section 2	Strategic Plan 2022 to 2025	2
Section 3	Outline Scope and Objectives	
	<ul style="list-style-type: none">• n-Domestic Rates• yroll• rporate Governance• low-Up Reviews	No 3 Pa 4 Co 5 Fol 6



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 2024. The plan is based on the proposed allocation of audit days for 2023/24 set out in the Audit Needs Assessment and Strategic Plan 2022 to 2025. 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 2023/24, 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 2022 to 2025

	Category	Priority	Actual 2022/23 Days	Planned 2023/24 Days	Planned 2024/25 Days
Reputation					
<i>Health, Safety & Wellbeing</i>	Gov	M	4		
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>Payroll</i>	Perf	M		4	
Financial Issues					
<i>Procurement and Creditors/Purchasing</i>	Fin	M	4		
Organisational Issues					
<i>Corporate governance</i>	Gov	M		3	
Information and IT					
<i>IT Systems Development</i>	Perf	M			4
<i>Data Protection / Freedom of Information</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>			1		
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:	Non-Domestic Rates
Priority:	Medium
Joint Board Meeting:	TBC
Days:	5

Scope

This audit will review the adequacy and effectiveness of the controls and procedures in place to ensure that the records relating to current property values are up to date and accurate, valuations and appeals are dealt with appropriately and timeously, and appropriate controls are in place over entries and amendments made to the Valuation Roll.

Objectives

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

- there are appropriate procedures in place to ensure that all non-domestic properties are included on the Valuation Roll;
- all amendments to the Valuation Roll, including new entries, deletions, and appeals are approved and applied by appropriately authorised staff and are evidenced;
- a Valuation Notice is produced and sent out to the responsible party in line with legal requirements and any subsequent appeals are lodged within six months of the Valuation Notice being issued;
- all appeal applications are logged on the appeals system and are accepted and checked by appropriately authorised staff;
- procedures are in place to ensure that staff do not make alterations to any properties on the Roll in which they have an interest;
- systems access controls are in place which ensure only authorised staff have access to data which impacts the integrity and security of the Valuation Roll.

Our audit approach will be:

From discussion with relevant staff, and review of procedural documentation, we will confirm any system changes, identify the key internal controls in place within the non-domestic rates 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 across each area office.



Audit Assignment:	Payroll
Priority:	Medium
Joint Board Meeting:	TBC
Days:	4

Scope

To undertake a high-level review of all key aspects of Payroll, including an examination of payments, authorisations and changes to payroll data. The audit will cover activities undertaken by the Board but not the Dundee City Council systems.

Objectives

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

- all new posts are appropriately approved;
- starters and leavers are properly treated and enter and leave the payroll system at the correct dates;
- overtime payments and other variations to pay are properly authorised, processed, and recorded;
- there is robust approval and checking of changes to employee standing data; and
- monitoring information is adequate for identifying incorrect payroll payments and to allow budget holders to manage their budgets effectively.

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 payroll system and compare these with expected controls. Audit testing will then be carried out to ensure that the controls in place are operating effectively.



Audit Assignment:	Corporate Governance
Priority:	Medium
Joint Board Meeting:	TBC
Days:	3

Scope

This review will cover corporate governance arrangements within the Board and compare these against best practice included in the CIPFA Delivering Good Governance in Local Government: Guidance Note for Scottish Authorities (2016). This includes reviewing such items as:

- Code of Corporate Governance
- Committee organisation and administration
- Standing Orders
- Financial Regulations
- Delegation of Powers to Officers
- Governance self-assessments
- Fraud and Corruption policies and procedures
- Complaints and Whistleblowing procedures

Objectives

The primary objective of the audit will be to obtain reasonable assurance that the Board’s corporate governance arrangements are in accordance with applicable best practice as set out in the CIPFA / SOLACE Delivering Good Governance in Local Government: Framework (2016) and accompanying guidance notes for Scottish Authorities, which was published in September 2016.

Our audit approach will be:

We will identify the corporate governance arrangements in place through interviews with staff and analysis of any corporate governance self-assessment. Relevant supporting documentation will also be reviewed to gain evidence that the arrangements in place have been adequately documented, communicated, and are operating effectively.



Audit Assignment:	Follow-Up Reviews
Priority:	Various
Joint Board Meeting:	June 2024
Days:	1

Scope

This review will cover the following reports from the 2022/23 internal audit programme and reports from earlier years where previous follow-up identified recommendations to be outstanding:

- Protection Report 2023/03 – Freedom of Information / Data
- Report 2023/05 – Procurement
- Report 2023/06 – Health and Safety

Internal Audit Reports 2023/01 – ANA and Strategic Plan, 2023-02 - Annual Plan, and 2023/04 Follow-Up Reviews, 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 2022/23 (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.



Aberdeen 45 Queen's Road AB15 4ZN

Dundee The Vision Building, 20 Greenmarket DD1 4QB

Edinburgh Ground Floor, 11-15 Thistle Street EH2 1DF

Glasgow 100 West George Street, G2 1PP

T: 01224 322 100

T: 01382 200 055

T: 0131 226 0200

T: 0141 471 9870

F: 01224 327 911

F: 01382 221 240

F: 0131 220 3269

Henderson Loggie LLP is a limited liability partnership registered in Scotland with registered number SO301630 and is a member of PrimeGlobal, a global association of independent accounting firms, the members of which are separate and independent legal entities. Registered office is: The Vision Building, 20 Greenmarket, Dundee, DD1 4QB. All correspondence signed by an individual is signed for and on behalf of Henderson Loggie LLP. Reference to a 'partner' is to a member of Henderson Loggie LLP. A list of members' names is available for inspection at each of these addresses.

