

MINUTE OF MEETING OF THE GRAMPIAN VALUATION JOINT BOARD

11 NOVEMBER 2005

COUNCIL OFFICE, ELGIN

PRESENT

Councillors M. Burnett (Vice-Convener), M. P. Cullen, T Flemming (Substituting for Councillor McGregor) R Hossack (substituting for Councillor Wilson) J Hunter, G Leslie (substituting for Councillor J Porter), S.D.I Longmore, G.G. Lumsden, P. McDonald, J.A. Mair, G. Urquhart and W P Watt.

APOLOGIES

Apologies for absence were intimated on behalf of Councillors A. Wilson (Convener), J B Craig, J. C. Davidson, B. Falconer, J.A. McGregor and J. Porter.

IN ATTENDANCE

A.A. McConochie, Assessor and Electoral Registration Officer, M Wilson, Treasurer, the Head of Personnel Services, Moray Council, A Scott, Team Leader Internal Audit, Moray Council and R Ritchie, Senior Committee Services Officer for the Clerk to the Board.

1. CHAIR

In the absence of the Convener the Chair was taken by the Vice-Convener, Councillor M. Burnett

2. MINUTE OF MEETING OF THE BOARD DATED 28 JANUARY 2005

The Minute of the meeting of the Board dated 8 July 2005 was submitted and approved as an accurate record.

3. AUDITED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

There was formally submitted by the Treasurer the Audited Final Accounts for the Grampian Valuation Joint Board for the year to 31 March 2005 together with the external Auditors Report on the Accounts for which it was noted that there were three recommendations. Two of the recommendations being carried over from the September 2003 report and the third from the 2004 report. Two of the recommendations related to the Board reviewing its corporate governance arrangements against the CIPFA published Best Practice Guidance and undertaking an operational risk assessment with a view to strengthening internal controls. The third recommendation being that the role and operation of the sub-committee (the Audit Committee) should be reviewed as part of Corporate Governance which was the subject of a later report on the agenda.

The meeting noted that due to pressures arising from the Revaluation exercise, less than anticipated progress has been made on the Risk Management exercise although it is anticipated that a completed Risk Register will be available by the end of the current financial year. Only limited progress has been made with the Corporate Governance review but it is intended to report further to the Board on this matter during 2006/07.

The report was augmented by an oral report by the Treasurer who recommended that given the budget process for 2005/06 had already begun it would be appropriate to deduct the sum of £207,536 being the sum due to the constituents authorities as at the 31 March 2005, from the agreed requisitions of the constituent authorities for 2006/07.

Thereafter the board agreed to:-

- (a) note the final accounts and the external auditors report for the year ending 31 March 2005; and
- (b) to return the £207,536 due to constituents authorities by reducing the 2006/07 requisitions.

4. REVENUE BUDGET MONITORING TO 30 SEPTEMBER 2005

There was submitted a report by the Treasurer advising the Board of the current Revenue Budget Monitoring position for 2005/06, as set out in the Appendix to the report.

The meeting noted there is an underspend of £104,000 to date which is due mainly to savings generated in the salary budget created by the delays in filling various posts including Senior Managers, Trainee Valuers and Administration posts. The post of a senior administration officer has been deliberately kept vacant until the completion of the job evaluation exercise. The meeting also noted that, at this point in time, it is anticipated that the year-end position will be a surplus of similar amount, of around £100,000.

Following consideration the Board agreed to note the report.

5. REVISION TO FINANCIAL REGULATIONS

There was submitted a report by the Treasurer seeking the Board's approval for a revision of the Financial regulations, details of which were set out in Section 2.1 of the report

The meeting noted that during a recent review of the Board's payments made to creditors and employees, the Moray Council's Internal Audit Section highlighted that many employees were claiming the full scale rate for subsistence and not submitting a receipt in support of expenditure. This being the custom and practice for the last 10 years and was the procedure followed in Grampian Regional Council. The meeting also noted that the Inland Revenue has strict guidance regarding the payment of subsistence to the effect that if receipts are produced, this is classed as a reimbursement of expenditure and is not taxable. However if an allowance is paid, tax should be deducted at source. Currently employees have been reimbursed with the scale rate allowance but no tax has been deducted.

Following consideration the Board agreed:-

- (i) that the Financial Regulations be amended to intimate:

All claims for payment of travelling and subsistence allowances by staff shall be duly certified and submitted to the Assessor on the approved form and accompanied by receipts for expenditure incurred. Where receipts are not available and an allowance is claimed then tax should be deducted at source and the net amount paid to the employee.

- (ii) to implement this revision with effect from 1 December 2005.

6. INTERNAL AUDIT

There was submitted a report by the Treasurer providing the Board with an overview of the work of Internal Audit and how that work contributes to the Annual Assurance Statement provided by the Assessor confirming that the Board's financial and control procedures are operating in a satisfactory manner.

The meeting noted that in 2004/05 the audit coverage was on the Board's Payroll and Creditor payments systems and the outcomes of the review were satisfactory. Audit recommendations were of a minor order and have been agreed and actioned as appropriate. A copy of the Executive Summary and Action Plan were attached as Appendix 1 to the report.

The Board agreed to note the nature and extent of audit work completed by Internal Audit during 2004/05 and the generally favourable outcomes from the audit review as set out in Appendix 1 to the report.

7. REMIT OF AUDIT COMMITTEE

There was submitted a report by the Treasurer providing the Board with a briefing of the guidance note "Audit Committee Principles in Local Authorities in Scotland", as set out in Section 3 of the report, and seeking approval of a proposed remit for an Audit Committee.

The meeting noted that at the meeting of the Board on 4 July 2003 (para 7 of the Minute refers) it was agreed that the General Purposes Sub-Committee take on the role of Audit Committee, in line with guidance issued at that time and that the Sub-Committee be renamed as the General Purposes and Audit Sub-Committee. Since then the Chartered Institute of Public Finance and Accountancy (CIPFA) has issued detailed guidance entitled "Audit Committee Principles in Local Authorities in Scotland". The meeting also noted that the Board's External Auditor has also recommended that the Board review's the remit of the General Purposes and Audit Sub-Committee.

During discussion reference was made to the membership of the existing Sub-Committee. In noting that this was currently the Convener, Vice-Convener and two others it was suggested that this may require to be reviewed in light the scrutiny responsibilities of an Audit Sub-Committee.

Following consideration the Board agreed

- (i) to delegate the responsibility for the review and monitoring of any Internal or External Audit Plans, Reports and Recommendations to the General Purposes and Audit Sub-Committee;
- (ii) that the General Purposes and Audit Sub-Committee meets on an ad-hoc basis in order to consider these matters;
- (iii) that a report be submitted to the next meeting of the Board on the membership of the General Purposes and Audit Sub-Committee in light of the additional scrutiny responsibilities;
- (iv) that Revenue Budget Monitoring Statements continue to be submitted regularly to the full Board for review; and
- (v) that non-financial Key Performance information will be submitted to the full Board on a regular basis for monitoring and review.

8. REGISTER OF ELECTORS CANVASS ARRANGEMENTS

There was submitted a report by the Electoral Registration Officer advising of progress on the current Register of Electors Canvass and drawing the Board's attention to possible financial effects in relation to the 2006 canvass.

The meeting noted that whilst there were no legislative changes for the 2005 canvass the government has now published the Electoral Arrangements Bill which aims to progress its three core principles for elections in regard to access to voting for all, highest possible turnout and lowest possible fraud. The Bill aims to strike a balance between security and access and will be accompanied by a package of secondary legislation, focussed on security, not yet announced. This legislation will however impact on the work of the Electoral Registration Officer in relation to applications for postal votes, personal identifiers and the nature of the canvass and will have a cost implication. Any additional expenditure will depend on the detail of the legislative changes made as the Bill progresses and consideration of this will be included in the 2006/07 budget setting process.

The meeting noted that 250,967 canvass forms were issued on 1 September and by 1 October some 64% had been returned. 89,185 first reminders were issued at that time and by 21 October the return rate has increased to 75%. At the start of the 2005 Canvass 38,100 electors had opted-out of the edited register which represents 9% of the 402,774 electors within the area. Since the introduction of postal voting 'on demand' the number of postal votes has increased substantially. In regard to postal voting the meeting noted that prior to the new arrangements there were 13,000 postal voters at the 2001 General Election and in June 2005 this had risen to 48,393 with a further 20,829 requests for postal voting application forms have been made during the canvass.

The meeting also noted that, in regard to the exercise undertaken by the Electoral Registration Officer relating to deletion from the Register for failing to return a canvass form, there were 4,804 electors in this position. In this regard, as intimated last year, follow up work with 'dead-wooded' electors has proved not to be cost effective and therefore it was proposed, in terms of Best Value, not to repeat this exercise this year.

Following discussion, during which the Electoral Registration Officer responded to questions, the Board agreed to note the report.

9. UPDATE ON GRADING REVIEW

Under reference to Paragraph 9 of the Minute of the Board dated 8 July 2005 there was submitted a report by the Head of Personnel Services, Moray Council, updating the Board on the Grading Review being carried out across all posts within the Board below Chief Officers.

There was also tabled at the meeting a copy of a letter dated 28 October 2005 from Unision to the Convener in regard to concerns the union had in regard to the Board's position relative to the grading review. Copies of the correspondence of which had also been forwarded to all members of the Board.

Following consideration the Board agreed to:-

- (i) to note the progress on the Grading Review and that further reports will be submitted on a proposed grading structure, financial implications and staffing; and
- (ii) to note that the Convener, in consultation with the Head of Personnel Services, Moray Council, would be responding to Unision in appropriate terms

10. WOODHILL HOUSE [PARAS 8 & 9]

Under reference to Paragraph 12 of the Minute of the meeting of the Board dated 8 July 2005 there was submitted a report by the Assessor updating the Board on arrangements in relation to the refurbishment of Woodhill House and relocation of the Board's staff. The report also sought approval of proposed furniture expenditure.

The Assessor spoke to the report and the meeting noted that, in regard to IT Infrastructure, arrangements have been concluded with Aberdeenshire Council to relocate the necessary hardware in preparation for the main office relocation to the ground floor, now scheduled for early 2006. The meeting also noted that, subject to the Board agreeing to suspend tendering arrangements provided for in the Financial Regulations, there would, in terms of Best Value, be cost advantages in the Board using Aberdeenshire's supplier for furniture and acquiring records storage furniture direct from one supplier.

Following consideration the board agreed to:-

- (i) note the progress achieved in relation to the provision of IT infrastructure;
- (ii) the suspension of tendering arrangements provided for in the Financial Regulations and to acquire General Office Furniture through Aberdeenshire Council at an overall cost of £69,000; and
- (iii) the suspension of tendering arrangements provided for in the Financial Regulations and to acquire Records Storage Furniture from Kardex at an overall cost of £67,600.