

## **GRAMPIAN VALUATION JOINT BOARD**

**FRIDAY 27 JANUARY 2017**

**YOUR ATTENDANCE IS REQUESTED** at a Meeting of the GRAMPIAN VALUATION JOINT BOARD to be held in the Council Chambers, Moray Council, High Street, Elgin on FRIDAY 27 JANUARY 2017 at 10.30am.

**R D Burns**  
**Clerk to the Board**

20 January 2017

### **BUSINESS**

1. Sederunt
2. Declaration of Financial and Other Interests\*
3. Written Questions\*\*
4. Minute of Meeting of the Board dated 28 October 2016.
5. Revenue Budget Monitoring Statement For The Period 1 April to 31 December 2016 - Report by Treasurer to the Board.
6. Revenue Budget for 2017/18 – Report by Treasurer to the Board.
7. Internal Audit Plan for 2016/17 – Report by The Treasurer.
8. External Auditor Annual Plan for 2016-17 – Report by Treasurer to the Board.
9. Governance – Report by The Assessor & ERO.
10. Register of Electors – Performance and Developments – Report by The Assessor & ERO.

11. Valuation Roll & Council Tax Valuation List – Report by The Assessor & ERO.
12. Question Time\*\*\*

Any person attending the meeting who requires access assistance should contact customer services on 01343 563217 in advance of the meeting.

## GUIDANCE NOTES

- \* **Declaration of Group Decisions and Members Interests** - At the beginning of the meeting, immediately following the Sederunt, the Convener will, in terms of Standing Order 25, seek declarations from individuals on any financial or other interests.
  
- \*\* **Written Questions** - Any member can put one question to the Convener about relevant and competent business not already on the Agenda for a meeting of the Board. No member can put more than one question at any meeting. The member must give notice in writing of their question to the Clerk 4 working days prior to the meeting. A copy of any written answer provided by the Convener will be tabled at the start of the relevant meeting. The member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter but no discussion will be allowed.
  
- \*\*\* **Question Time** - At each ordinary meeting of the Board, 10 minutes will be allowed for question time when any member can put one question to the Convener regarding any matter within the remit of the Board. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed. In the event of further information/investigation being required in order to answer the question, the Clerk who will arrange for a written answer to be provided within 7 working days.



## **SEDERUNT**

**COUNCILLOR R SHEPHERD (CONVENER)**  
**COUNCILLOR G OWEN (DEPUTE CONVENER)**  
**COUNCILLOR B CORMIE**  
**COUNCILLOR G COULL**  
**COUNCILLOR A DONNELLY**  
**COUNCILLOR A FINLAYSON**  
**COUNCILLOR R GRANT**  
**COUNCILLOR F HOOD**  
**COUNCILLOR S LONCHAY**  
**COUNCILLOR J MORRISON**  
**COUNCILLOR L PIRIE**  
**COUNCILLOR N SMITH**  
**COUNCILLOR S STUART**  
**COUNCILLOR C TUKE**

Contact Person:	Darren Westmacott
Telephone:	01343 563014
Email	<a href="mailto:darren.westmacott@moray.gov.uk">darren.westmacott@moray.gov.uk</a>



## **MINUTE OF MEETING OF THE GRAMPIAN VALUATION JOINT BOARD**

**FRIDAY 28 OCTOBER 2016 AT 10.30AM**

**COUNCIL CHAMBERS, MORAY COUNCIL, HIGH STREET, ELGIN**

### **PRESENT**

Councillors R. Shepherd (Convener), A. Finlayson, J. Morrison, G Petrie (substituting for S. Lonchay), L. Pirie, N. Smith, S. Stuart and C. Tuke.

### **APOLOGIES**

Apologies were intimated on behalf of Councillors G. Owen (Deputy Convener), B. Cormie, G. Coull, A. Donnelly, R. Grant, F. Hood and S. Lonchay.

### **IN ATTENDANCE**

Mr I. Milton, Grampian Assessor & Electoral Registration Officer (ERO), Mrs. D. Brands, Principal Accountant and Mr D. Westmacott, Committee Services Officer as Clerk to the Board (both Moray Council).

#### **1. COUNCILLOR IAN GRAY**

The Board joined the Convener in expressing their condolences to the family of the late Councillor Ian Gray (Aberdeenshire Council) who sadly died, aged 73, following a lengthy battle with cancer.

As a member of the Board at the time of his death, the Convener advised that he had sent a letter of condolence to the family on behalf of the Board.

#### **2. DECLARATION OF GROUP DECISIONS AND MEMBERS INTERESTS**

In terms of Standing Order 25 and the Councillors' Code of Conduct, there were no declarations from group leaders or spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda or any declarations of Members' interests in respect of any item on the agenda.

### **3. WRITTEN QUESTIONS**

The Board noted that no written questions had been submitted.

### **4. MINUTE OF MEETING OF THE BOARD DATED 26 AUGUST 2016**

The minute of the meeting of the Board dated 26 August 2016 was submitted and approved as an accurate record.

### **5. REVENUE BUDGET MONITORING STATEMENT FOR THE PERIOD 1 APRIL TO 30 SEPTEMBER 2016**

A report was submitted and noted by the Treasurer to the Board presenting the Revenue Budget Monitoring Statement for the period 1 April to 30 September 2016 and the Estimated Outturn position for the year 2016/17, as set out in Appendix 1 and summarised in Sections 3 and 4 of the report.

### **6. PUBLIC PERFORMANCE REPORT**

A report was submitted by the Grampian Assessor & Electoral Registration Officer (ERO) seeking the Board's approval for the publication of the fifteenth public performance report. A copy of the Public Performance Report was provided as Appendix 1.

The Convener noted that, under 'General Information' within Appendix 1, should read "...As at 31 March 2016..." and not "March 2015".

The Board joined the Convener in commending the work of the Board's employees during a busy and difficult period.

Thereafter, the Board agreed to:-

- (i) note the contents of the report; and
- (ii) the publication of the annual Public Performance Report, incorporating financial and performance information, as set out in Appendix 1 the report, subject to 'General Information' within Appendix 1 being amended to read "...As at 31 March 2016..." and not "March 2015".

### **7. VALUATION ROLL & COUNCIL TAX VALUATION LIST**

A report was submitted by the Grampian Assessor & Electoral Registration Officer (ERO) advising the Board of current activities and performance levels achieved during the period 1 April to 30 September 2016 in respect of the Valuation Roll and Council Tax Valuation List.

The Board joined the Convener in commending the Grampian Assessor & ERO and his staff for their continued good work in respect of the Valuation Roll and Council Tax Valuation List.

Following consideration, the Board agreed to note the the current position of the

## **8. REGISTER OF ELECTORS ANNUAL CANVASS**

A report was submitted by the Grampian Assessor & Electoral Registration Officer (ERO) informing the Board of progress with the annual canvass.

Following consideration, the Board agreed to note the contents of the report in respect fo the Register of Electors.

## **9. IRRV SCOTTISH CONFERENCE**

A report was submitted and noted by the Grampian Assessor & Electoral Registration Officer (ERO) advising the Board of attendance at the Institute of Revenues, Rating and Valuation (IRRV)'s Annual Scottish Conference & Exhibition 2016 'Scotland the Brave? Continuing Improvement in Challenging Times'.

## **10. QUESTION TIME**

Councillor Pirie sought clarification in respect to rateable values of wind turbines. In response, the Grampian Assessor & Electoral Registration Officer (ERO) advised that the process was complex and noted that relief and exceptions were available with the Scottish Government.

Councillor Morrison queried how district heating rates are valued. The Grampian Assessor & ERO advised that district heating was valued on a cost basis and in a consistent manner.



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**REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 27 JANUARY 2017**

**SUBJECT: REVENUE BUDGET MONITORING STATEMENT FOR THE PERIOD 1 APRIL TO 31 DECEMBER 2016**

**BY: TREASURER TO THE BOARD**

**1. REASON FOR REPORT**

- 1.1 To consider the Revenue Budget Monitoring Statement for the period 1 April to 31 December 2016.
- 1.2 To consider the Estimated Outturn position for the year 2016/17.

**2 RECOMMENDATION**

**2.1 It is recommended that the Board:-**

- (i) Considers the Revenue Monitoring Statement for the period 1 April to 31 December 2016 and the Estimated Outturn forecast for the financial year 2016/17.**

**3. CURRENT POSITION**

- 3.1 At its meeting on 29 January 2016 (para 6 refers), the Board agreed the Revenue Budget for 2016/17 and approved that the requisitions from constituent authorities be set at £4,196,000.
- 3.2 The estimated outturn position for 2016/17 was reported to the meeting of the Board on 28 October 2016 (para 5 of draft minute refers) and an estimated underspend of £199,000 was noted.
- 3.3 **APPENDIX 1** shows the monitoring position to 31 December 2016. It gives details of the 2016/17 revenue budget, the actual to date and the variance to date. It also shows the latest estimated outturn and variance for the year.
- 3.4 The Appendix includes all expenditure incurred by the service, including all Individual Electoral Registration (IER) expenses and government grant received intended to fund IER. As noted in previous reports, the government has pledged to fund the additional costs of IER. The Assessor may submit an application to recover additional expenditure over and above the original grant



received. The criteria for this is that the service can justify that the IER expenditure is additional to that which the service would have spent previously on electoral registration duties. The Assessor anticipates doing this by the end of January 2017. In the meantime, no income relating to this claim is included in the estimated outturn.

- 3.5 The total net expenditure to 31 December 2016 is £2,792,000 which results in an underspend against budget to date of £128,000.
- 3.6 To date there is a £66,000 underspend within employee costs. It was reported in the last monitoring report that due to successful recruitment of staff the service had incurred relocation costs and further costs were expected this year. The service has incurred in total £10,000 for employee relocation costs to date, this is shown within Other Employee Costs. The other £1,000 is for long service awards.
- 3.7 Accommodation charges are within budget to date. The Assessor has agreed the next five year rental of Woodhill House, with Aberdeenshire Council. From 2017/18 the annual rental is £125,000, a reduction of £5,000 from the current rate.
- 3.8 Transport Costs are on budget to date as expected at the last monitoring report.
- 3.9 There are minimal variances in Supplies and Services. Advertising is over budget due to a Scotland wide broadcast in partnership with other Electoral Registration services. This overspend can be funded from the government grant brought forward from 2015/16. The Valuation Appeals budget has been rephased towards the last quarter of the year as the secretary fees are due in March. This is a difficult budget to predict and is likely to be under budget by year end.
- 3.10 The support service charge is from Moray Council and is processed at 31 March as part of the year end closedown.
- 3.11 The contingency budget of £40,000 was introduced for overtime working during the revaluation. All overtime has now been paid to the valuation staff at a final figure of £3,000. It was agreed that any amount unused would be returned to authorities.
- 3.12 Income from government grants and recharges are above budget. Additional grant of £7,000 has been awarded by the Cabinet Office for an Electoral Registration pilot project and a temporary post has been filled for three months, to 11 March 2017.

#### **4. ESTIMATED OUTTURN 2016/17**

- 4.1 The revenue budget is expected to be underspent by the year end by an

estimated £213,000 giving an overall variance against the budget of £220,000.

- 4.2 The most significant underspend is within employee costs of £152,000. There are currently 3.5FTE vacancies in the service and this underspend is reduced by an overspend in recruitment advertising and relocation expenses.
- 4.3 Property costs are expected to be over budget by £23,000 principally because a service charge adjustment for Woodhill House relating to 2015/16 was received in October 2016.
- 4.4 Supplies and Services are estimated to be within budget in total, with small variances across the headings. Due to rescheduling of dates at the Lands Tribunal, the estimated outturn for the Valuation Appeals is lower than budget. This is a difficult budget to forecast as there can be developments within a case that may cause slippage into future years.
- 4.5 As stated in 3.11, the contingency budget set aside for overtime working for the revaluation exercise should incur no further expenditure. This leaves a variance of £37,000 which will be returned to constituent authorities after the accounts have been audited.
- 4.6 As mentioned in 3.4 above, the Assessor can submit an application to the Cabinet Office to recover any additional costs of IER incurred this year. As this figure as yet is unknown, the estimated government grant figure remains at the current grant received plus the £7,000 for the temporary electoral registration post.

## **5. CONCLUSION**

- 5.1 The total net expenditure as at 31 December 2016 is £2,792,000, giving an underspend against budget to date of £128,000.**
- 5.2 The estimated variance for 2016/17 is an underspend of £220,000, including £37,000 from the unspent overtime budget.**
- 5.3 An update on IER expenditure and additional funding will be provided to the next meeting of the Board.**

**5.4 The Assessor and his Senior Management Team closely monitor and control budgets in order to keep within agreed levels, and generate savings wherever possible throughout the year.**

Author of Report: Deborah Brands

Background Papers: Held in Accountancy section, Moray Council

Ref: DB/LJC/213-2750/239-1809

Signature:

Designation: Treasurer to the Board

Date: 19<sup>th</sup> January 2017

Name: Margaret Wilson

Line No.	2016-17 Annual Budget	2016-17 Budget to Date	Actual 31 December 2016	Variance 31 December 2016	2016-17 Estimated Outturn	2016-17 Estimated Variance
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Employee Costs</b>						
1 Salaries	2,471	1,853	1,807	46	2,343	128
2 National Insurance	251	189	183	6	246	5
3 Superannuation	477	357	338	19	448	29
4 Additional Pensions	23	17	16	1	21	2
5 Other Employee Costs	3	2	11	(9)	12	(9)
6 Staff Advertising	0	0	2	(2)	3	(3)
7 Training	14	10	5	5	14	0
<b>Total Employee Costs</b>	<b>3,239</b>	<b>2,428</b>	<b>2,362</b>	<b>66</b>	<b>3,087</b>	<b>152</b>
<b>Property Costs</b>						
8 Accommodation Charges	317	207	200	7	341	(24)
9 Repairs and Maintenance	6	3	3	0	5	1
10 Energy Costs	7	5	5	0	7	0
11 Cleaning	3	3	3	0	3	0
<b>Total Property Costs</b>	<b>333</b>	<b>218</b>	<b>211</b>	<b>7</b>	<b>356</b>	<b>(23)</b>
<b>Transport Costs</b>						
12 Staff Travel and Subsistence	90	58	58	0	77	13
<b>Total Transport Costs</b>	<b>90</b>	<b>58</b>	<b>58</b>	<b>0</b>	<b>77</b>	<b>13</b>
<b>Supplies &amp; Services</b>						
13 Equipment, Furniture & Materials	7	5	4	1	10	(3)
14 Protective Clothing	1	0	0	0	1	0
15 Text & Reference Books	8	6	2	4	3	5
16 Printing & Stationery	34	25	23	2	34	0
17 Postages	280	188	188	0	280	0
18 Telephones	4	3	5	(2)	6	(2)
19 Advertising	5	4	8	(4)	8	(3)
20 IT Maintenance & Support	163	74	72	2	163	0
21 Canvas Expenses	75	60	59	1	75	0
22 Valuation Appeals	61	9	9	0	40	21
23 Fees, Charges & Subs	3	1	3	(2)	3	0
24 Specialist Services	20	10	10	0	20	0
25 Other Supplies & Services	2	2	1	1	2	0
<b>Total Supplies &amp; Services</b>	<b>663</b>	<b>387</b>	<b>384</b>	<b>3</b>	<b>645</b>	<b>18</b>
<b>Support Services</b>						
26 Lead Authority Charge	56	0	0	0	56	0
<b>Total Support Services</b>	<b>56</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>56</b>	<b>0</b>
<b>Contingency</b>						
27 Overtime working - Revaluation	40	40	3	37	3	37
<b>Total Contingency</b>	<b>40</b>	<b>40</b>	<b>3</b>	<b>37</b>	<b>3</b>	<b>37</b>
28 <b>Gross Expenditure</b>	<b>4,421</b>	<b>3,131</b>	<b>3,018</b>	<b>113</b>	<b>4,224</b>	<b>197</b>
<b>Income</b>						
29 Sales and Other Income	(8)	(3)	(3)	0	(8)	0
30 Government Grant and recharges	(208)	(208)	(223)	15	(230)	22
31 Interest on Revenue balances	(2)	0	0	0	(3)	1
<b>Total Income</b>	<b>(218)</b>	<b>(211)</b>	<b>(226)</b>	<b>15</b>	<b>(241)</b>	<b>23</b>
32 <b>Net Expenditure</b>	<b>4,203</b>	<b>2,920</b>	<b>2,792</b>	<b>128</b>	<b>3,983</b>	<b>220</b>
33 <b>Requisitions</b>	<b>(4,196)</b>	<b>(3,143)</b>	<b>(3,143)</b>	<b>0</b>	<b>(4,196)</b>	<b>0</b>
34 <b>(Surplus)/Deficit for Year</b>	<b>7</b>	<b>(223)</b>	<b>(351)</b>	<b>128</b>	<b>(213)</b>	<b>220</b>



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**REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 27 JANUARY 2017**

**SUBJECT: REVENUE BUDGET FOR 2017/18**

**BY: TREASURER TO THE BOARD**

**1. REASON FOR REPORT**

- 1.1 To consider the Revenue Budget for 2017/18 and to agree the 2017/18 requisitions to the three constituent authorities.

**2. RECOMMENDATION**

**2.1 It is recommended that the Board:-**

- (i) approves the Revenue Budget for 2017/18 to be set at £4,039,000, as detailed in Appendix 1;**
- (ii) approves the requisitions for 2017/18 to the constituent authorities to be set at £4,039,000, as detailed in the table at para 7.2;**
- (iii) notes the indicative budgets for 2018/19 and 2019/20, as detailed in Appendix 1;**
- (iv) agrees to delegate authority to the General Purposes Sub-Committee to consider options for the Elgin accommodation and make a recommendation to the Board, as detailed in paragraph 3.17; and**
- (v) appoints a replacement to the General Purposes Sub-Committee for Councillor A Buchan (Aberdeenshire).**

**3. 2017/18 Revenue Budget**

- 3.1 Details of the proposed Revenue Budget for 2017/18 are shown in **APPENDIX 1**. The work undertaken by the Assessor has resulted in a proposed budget which has decreased from £4,196,000 in 2016/17 to

£4,039,000 in 2017/18, a reduction of 3.7% in cash terms.

- 3.2 As there remain substantial uncertainties about the funding of Individual Electoral Registration (IER), it is proposed that only one year's revenue budget for 2017/18 is approved at this time.
- 3.3 The public sector in Scotland is facing severe financial pressures. The main challenge in preparing the 2017/18 budget was the request from the constituent authorities to continue to achieve savings. As can be seen from the figures in **APPENDIX 1**, employee costs represent over 77% of the revenue budget and this gives little scope to make efficiencies without impacting on the level of service.
- 3.4 With this in mind, the Assessor has prepared a budget that makes required efficiencies whilst still giving the service the resources to meet their strictly defined and regulated objectives.
- 3.5 The pay award for 2017/18 has yet to be agreed and so an allowance of 1.0% has been included in the budget. This amount, plus adjustments for anniversary increments where appropriate, has resulted in an increase to the salaries budget of £25,000 from 2016/17. The ongoing challenge of filling vacancies has previously been highlighted to the Board and the vacancies within the service give rise to variances within the Employee Costs budget. At the time of writing this report, there are 3.5 FTE vacant posts in the service.
- 3.6 As the need for efficiency savings is necessary, and taking into account the history of underspends against budget in staffing costs, an efficiency target of £121,000 has been introduced into the budget for 2017/18. This has been calculated at 75% of the anticipated 2016/17 underspend on salary costs.
- 3.7 The indicative budgets for future years anticipate pay awards of 1.0% per annum for 2018/19 and 2019/20.
- 3.8 The 2017/18 staffing budget includes an amount of £140,000 for 6 FTE temporary posts of Electoral Registration Assistants (ERAs) which were approved until 31 March 2017. A further £5,000 for the ERAs is included for essential user mileage payments, shown under Transport Costs. The Assessor is of the view that IER canvas requirements cannot be met without these personnel and these 6 posts are also included in the 2018/19 and 2019/20 indicative budgets. The Government has undertaken to fund the additional costs of IER for the duration of this Parliament and an estimated amount has been included in Government Grants income.
- 3.9 From April 2017, the Board will be liable for the Apprenticeship Levy. The calculation is 0.5% of the pay bill and £12,000 has been included under Other Employee Costs.
- 3.10 After the increase to the annual rental charge for Woodhill House, backdated for four years in 2015/16, the Assessor has negotiated a new five year rental agreement of £125,000 from 2017/18, giving a reduction of £5,000 per

annum. The Service Charge at Woodhill House has been maintained at the 2016/17 estimate. Energy costs have been maintained at the 2016/17 level and minor adjustments to the repairs and maintenance and cleaning budgets cancel each other out leaving the total property costs £5,000 lower than the 2016/17 budget.

- 3.11 The staff travel and subsistence budget is proposed at £75,000, a reduction of £15,000.
- 3.12 The Equipment, Furniture and Materials budget and Printing and Stationery budgets were reduced in 2016/17 and it is proposed to keep them at that level for 2017/18.
- 3.13 Expenditure on postages has increased in recent years as a direct result of IER requirements and the previous budgets have been increased accordingly. It is proposed to maintain the 2017/18 budget at the same level as 2016/17.
- 3.14 The 2017/18 IT Maintenance and Support budget has been reworked and the proposed amount is £159,000, a reduction of £4,000 from the 2016/17 budget of £163,000. This includes network costs of £50,000 that has been paid by the Cabinet Office for the last three years, during the transition to IER. Responsibility for the inter-office network will pass back to the service from 1 April 2017.
- 3.15 The budget for the Valuation Appeals Committee costs and expenses is complex to predict. The budget was increased in 2015/16 to reflect a significant Lands Tribunal hearing that was expected. This was then postponed to December 2016 and has since been rescheduled for April 2017. There have been various other hearings that incur legal and counsel fees, in addition to the Valuation Appeal panel secretary fees. The 2017/18 budget has been reduced by £5,000 from the 2016/17 amount, but total costs will be variable depending on what hearings are taken to the Lands Tribunal.
- 3.16 Small adjustments have been made to the budgets for text and reference books, telephones, specialist services and other supplies and services in line with anticipated spend with remaining budgets within Supplies and Services being maintained at the same level as 2016/17. The Support Services budget for 2017/18 will remain the same as the current budget.
- 3.17 The condition of the Elgin office accommodation has been raised and is an ongoing concern. There is no provision in the 2017/18 revenue budget for any works as a full appraisal of all the options needs to be carried out. As a result, it is recommended that this matter be delegated to the General Purposes Sub-Committee, on a date to be arranged, to consider options and make a recommendation to the Board.
- 3.18 At its meeting on 22 June 2012, the Board appointed the Convener (Chair), the Depute Convener, Councillor A. Buchan, Councillor Morrison and Councillor Tuke to the General Purposes Sub-Committee. As Councillor Buchan now sits as a Substitute Member, the Board are asked to appoint a

replacement to the Sub-Committee from its membership.

#### **4. Costs and Funding in 2017/18 for the continuation of IER**

- 4.1 The Assessor has not been informed of the level of government funding for the implementation of IER in 2017/18 at the time of writing this report. For the purposes of the budget, he has assumed it will be no less than the grant awarded in 2016/17 and the figure of £208,000 has been allowed for. If there is a significant change to this the Board will be informed as part of the budget monitoring during the year. Whilst future funding is uncertain, the Government has undertaken to fund the additional costs of IER and £200,000 has been included for each of the years 2018/19 and 2019/20.
- 4.2 As noted in paragraph 3.8 above, a budget for 6 Electoral Registration Assistants is included in the 2017/18 budget and the 2018/19 and 2019/20 indicative budgets. An amount of £140,000 is included in the Employee costs and £5,000 in Transport Costs for 2017/18.
- 4.3 The remaining IER expenditure budget is within Postages.

#### **5. General Fund**

- 5.1 The General Fund provides the Assessor with the flexibility to investigate and implement any future “spend to save” projects where one off expenditure is required in order to deliver future budget savings. The reserve would allow the Assessor to re-invest savings generated by efficiencies and could also be used as a contingency to meet unforeseen costs and assist financial planning by enabling limited budget flexibility between financial years. This limited flexibility may prove invaluable over the next year or so now that the transition phase of IER is complete and should be seen as business as usual. There is no assurance of how additional costs resulting from the successful implementation of IER will be funded in the future.
- 5.1 It was agreed by the Board at its meeting on 28 January 2011 (para. 4 refers) that transfers to the General Fund would be restricted to 3% of the total budget in any one year and that the cumulative balance of the fund would not exceed 5% of the total budget.
- 5.2 The balance on the General Fund at 31 March 2016 was £207,000. This includes £7,000 for unspent government grant received in 2015/16 for unconfirmed electors which has been utilised in 2016/17. The current year expenditure is expected to be under budget and under the current reserves policy it is anticipated that the General Fund balance at 31 March 2017 will be at the maximum permitted £210,000.

#### **6. Capital Fund**

- 6.1 The Capital Fund was established in 2002/03 using the Boards share from the sale of Woodhill House. After returning £400,000 to constituent authorities in



2010/11, the balance of the fund at 1 April 2016 was £73,000. The balance of the fund will be maintained in order to assist with any capital expenditure relating to office accommodation.

## **7. 2017/18 Requisitions**

- 7.1 In the table below, the requisition required from each constituent authority is calculated in order to fund the Board's revenue budget for 2017/18 of £4,039,000.
- 7.2 The constituent authorities have previously agreed that expenditure by the Board should be apportioned between authorities pro rata to the population figures for each council. The population figures used are those published by CIPFA in the latest Rating Review estimates for 2016/17.

	Population	Requisition %	Proposed Total Requisition 2017/18 £	Percentage decrease on 2016/17 Requisitions %
Aberdeen City	230,400	39.19	1,582,897	(3.7)
Aberdeenshire	262,000	44.57	1,799,997	(3.8)
Moray	95,500	16.24	656,106	(3.6)
<b>TOTAL</b>	<b>587,900</b>	<b>100.00</b>	<b>4,039,000</b>	<b>(3.7)</b>

## **8. CONCLUSION**

- 8.1 **Preparing the proposed Revenue Budget for 2017/18 has been a challenging task, trying to balance the increasing demands made upon the service with the embedding of IER, whilst continuing to make efficiency savings.**
- 8.2 **The Assessor has undertaken to provide the Board with a proposed budget that gives a 3.7% reduction in cash terms compared to last year's budget. This is after allowing for pay awards and the new apprenticeship levy.**
- 8.3 **An efficiency target of £121,000 has been introduced within the 2017/18 annual budget. It is expected this will be met from the savings accruing when a post is vacant prior to the new staff appointment.**
- 8.4 **The Assessor will manage the service, including the resources required to maintain IER, within the constraints of the current budget and, if necessary, the flexibility afforded by the General Fund balance.**
- 8.5 **The options for Elgin accommodation referred to in paragraph 3.17 be**

**progressed and referred to the General Purposes Sub Committee for consideration.**

Author of Report: Deborah Brands

Background Papers: Held in Accountancy section, Moray Council

Signature:

Date: 19<sup>th</sup> January 2017

Designation: Treasurer to the Board

Name: Margaret Wilson

## GRAMPIAN VALUATION JOINT BOARD INDICATIVE 3 YEAR BUDGET

Line No.	2017-18 Proposed Budget	2018-19 Indicative Budget	2019-20 Indicative Budget
	£'000	£'000	£'000
<b><u>Employee Costs</u></b>			
1 Salaries	2,490	2,501	2,527
2 National Insurance	254	256	259
3 Superannuation	480	482	487
4 Additional Pensions	24	24	24
5 Other Employee Costs	15	15	15
6 Training	14	14	14
7 Vacancy Target	(121)	-	-
<b>Total Employee Costs</b>	<b>3,156</b>	<b>3,292</b>	<b>3,326</b>
<b><u>Property Costs</u></b>			
8 Accommodation Charges	312	312	312
9 Repairs and Maintenance	5	6	6
10 Energy Costs	7	8	8
11 Cleaning	4	4	4
<b>Total Property Costs</b>	<b>328</b>	<b>330</b>	<b>330</b>
<b><u>Transport Costs</u></b>			
12 Staff Travel and Subsistence	75	75	75
<b>Total Transport Costs</b>	<b>75</b>	<b>75</b>	<b>75</b>
<b><u>Supplies &amp; Services</u></b>			
13 Equipment, Furniture & Materials	7	7	7
14 Protective Clothing	1	1	1
15 Text & Reference Books	4	4	4
16 Printing & Stationery	27	27	27
17 Postages	280	280	280
18 Telephones	6	6	6
19 Advertising	5	5	5
20 IT Maintenance & Support	159	159	159
21 Canvas Expenses	75	75	75
22 Valuation Appeals	56	56	56
23 Fees, Charges & Subs	3	3	3
24 Specialist Services	19	20	20
25 Other Supplies & Services	1	1	1
<b>Total Supplies &amp; Services</b>	<b>643</b>	<b>644</b>	<b>644</b>
<b><u>Support Services</u></b>			
26 Lead Authority Charge	56	57	57
<b>Total Support Services</b>	<b>56</b>	<b>57</b>	<b>57</b>
<b>27 Gross Expenditure</b>	<b>4,258</b>	<b>4,398</b>	<b>4,432</b>
<b><u>Income</u></b>			
28 Sales and Other Income	(8)	(8)	(8)
29 Government Grant and recharges	(208)	(200)	(200)
30 Interest on Revenue balances	(3)	(3)	(3)
<b>Total Income</b>	<b>(219)</b>	<b>(211)</b>	<b>(211)</b>
<b>31 Net Expenditure</b>	<b>4,039</b>	<b>4,187</b>	<b>4,221</b>
<b>32 Requisitions</b>	<b>(4,039)</b>	<b>(4,187)</b>	<b>(4,221)</b>
<b>33 (Surplus)/Deficit for Year</b>	<b>-</b>	<b>-</b>	<b>-</b>



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**REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 27 JANUARY 2017**

**SUBJECT: INTERNAL AUDIT PLAN FOR 2016/17**

**BY: THE TREASURER**

**1. REASON FOR REPORT**

1.1 This report advises the Board of the planned internal audit coverage of the Assessor's Service for the financial year ended 31st March 2017.

**2. RECOMMENDATION**

**2.1 That the Board considers the proposed internal audit coverage, seeks clarification on any points arising, and otherwise notes the report.**

**3. BACKGROUND**

3.1 In terms of the Public Sector Internal Audit Standards applicable to local government and joint boards, it is necessary to develop an internal audit plan for each financial year. The plan takes account of risk and is presented to the Board to enable it to consider and comment on the proposed audit coverage.

3.2 It will be recognised that whilst the Assessor's Service is subject to considerable operational challenges as a consequence of legislative changes, some of which are supported by additional funding from central government, the costs of the service do not change materially from year to year. The main expenditure continues to relate to staffing costs with other outlays covering annually recurring items including office rentals and service charges, ICT infrastructure and licencing, and postage outlays.

3.3 Additionally, as in prior years, the main financial systems of the Assessor's Service mirror those of the Moray Council hence audit assurances provided in terms of the controls within the Council systems can be relied upon as being applicable to financial systems relating to the Service. This mitigates the risks associated with the audit and influences the nature and extent of audit work required.

3.4 The audit work proposed will provide the Assessor and the Treasurer with an opinion on the adequacy and effectiveness of the internal control systems and procedures. This informs the assurance statement relative to governance matters the Assessor prepares for inclusion with the Board's annual accounts.

3.5 In this context, it is expected that the work to be undertaken by Internal Audit in relation to the Service's activities will involve:

- Seeking confirmation that the Assessor continues to monitor and evaluate the principal risks facing his Service;
- Analytical review of staff payroll costs and non pay expenditure for the current and prior years and review of any material variances, with further substantive testing where appropriate;
- Confirmation of the controls relative to collection and submission of changes to the valuation rolls and council tax lists to the constituent Authorities;
- An overview of the recent records management submission to the Keeper of the Records of Scotland (described more fully in a separate report on the agenda for this meeting) in support of Element 13 - Review and Assessment of the Records Management Plan.

3.6 Completion of this work will provide the necessary coverage for internal audit purposes. The proposed audit coverage will be discussed with the external auditor to ensure audit work plans are effectively co-ordinated.

3.7 The outcomes from the audit will be reported to the next scheduled meeting of the Board on 30<sup>th</sup> June 2017.

#### **4. CONSULTATIONS**

4.1 The Assessor has been consulted in the preparation of this report and agrees with the proposed audit activity.

#### **5. CONCLUSION**

**5.1 Audit planning allows management to inform the audit activity to be undertaken and assists the internal audit team to schedule its work.**

**5.2 This report provides members of the Board with details the proposed internal audit coverage which will be undertaken to provide independent assurance on the adequacy and effectiveness of the Service's control environment.**

Author of Report: Atholl Scott, Internal Audit Manager, Moray Council

Background Papers: Internal Audit files

Ref: as/gvjb/270117/239-1804

Signature:

Designation: Treasurer to the Board

Name: Margaret Wilson

Date: 18 January 2017



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**REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 27 JANUARY 2017**

**SUBJECT: EXTERNAL AUDITOR ANNUAL PLAN FOR 2016-17**

**BY: TREASURER TO THE BOARD**

**1. REASON FOR REPORT**

- 1.1 To provide the Board with a copy of the External Auditor's Annual Plan for the year ended 31 March 2017.

**2 RECOMMENDATION**

- 2.1 **It is recommended that the Board consider the contents of the External Auditor's Annual Plan for the year ended 31 March 2017.**

**3 BACKGROUND**

- 3.1 The Annual Audit Plan for the year ended 31 March 2017 has been received from Audit Scotland in the form of a plan and is attached as an **APPENDIX** to this report.
- 3.2 The document sets out the scope of the audit and includes the planned timetable for completion. It also asserts the responsibilities of the auditors, management and those charged with governance within the Board, and gives an indication of the materiality level and audit risks that have been identified for the audit of the financial statements to 31 March 2017.
- 3.3 The Board's External Auditor will not be able to attend the meeting but the Treasurer's representative will answer any queries on the plan.

**4. CONCLUSION**

- 4.1 The plan informs Members and Officers of Board of the External Auditor's audit planning and reporting arrangements for the Board for the year ended 31 March 2017.**

Author of Report:	Margaret Wilson, Treasurer to the Board
Background papers:	Held within Accountancy Section, Moray Council
Date:	19 January 2017
Ref:	MW/LJC/ <u>213-2746/239-1805</u>

**Signature:**

**Date: 19 January 2017**

**Designation: Treasurer to the Board**

**Name: Margaret Wilson**

# Grampian Valuation Joint Board

Annual Audit Plan 2016/17



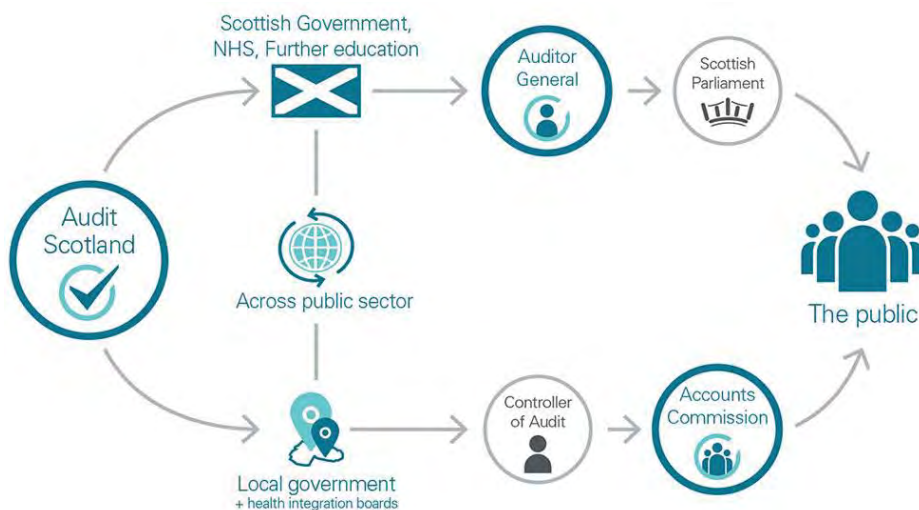
Prepared for Grampian Valuation Joint Board  
January 2017



# Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



## About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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# Risks and planned work

1. This annual audit plan contains an overview of the planned scope and timing of our audit and is carried out in accordance with International Standards on Auditing (ISAs), the [Code of Audit Practice](#), and any other relevant guidance. This plan identifies our audit work to provide an opinion on the financial statements and related matters and meet the wider scope requirements of public sector audit including the new approach to Best Value. The wider scope of public audit contributes to conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

## Audit risks

2. Based on our discussions with staff and a review of supporting information we have identified the following main risk areas for Grampian Valuation Joint Board. We have categorised these risks into financial risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in [Exhibit 1](#).

## Exhibit 1

Audit Risk	Management assurance	Planned audit work
<b>Financial statement issues and risks</b>		
<p>1 <b>Management override of controls</b></p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes the risk of management override of controls in order to change the position disclosed in the financial statements.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable.</p>	<p>Detailed testing of journal entries.</p> <p>Review of significant management estimates and evaluation of the impact of any variability in key assumptions.</p> <p>Focused testing of accruals and prepayments.</p> <p>Evaluation of significant transactions that are outside the normal course of business.</p> <p>Substantive testing of transactions after the year end to confirm expenditure and income has been accounted for in the correct financial year.</p>

Audit Risk	Management assurance	Planned audit work
<p><b>2 Revisions to the presentation of the financial statements</b></p> <p>The 2016/17 Code of Practice on Local Authority Accounting (the Code) makes changes to the structure of the Comprehensive Income and Expenditure Statement (CIES) and the Movement in Reserves Statement (MIRS). This will require the restatement of prior year comparatives and presents a risk of misstatement in the financial statements.</p>	<p>Finance staff will ensure that they are aware of the revised requirements through review of the revised Code, attendance at CIPFA events and review of the Audit Scotland Technical Bulletin prior to preparation of the 2016/17 financial statements</p>	<p>Review of the revised structure of the CIES and MIRS.</p> <p>Detailed analysis of account code mapping for CIES.</p> <p>Review of prior year comparatives and restatements.</p>
<p><b>3 New expenditure and funding analysis</b></p> <p>The Code sets out a new requirement for an expenditure and funding analysis. This will provide a reconciliation of the statutory adjustments between the Joint Board's financial performance on a funding basis and the surplus or deficit on provision of services in the CIES. This presents an increased risk of misstatement as the analysis may not be in line with the requirements of the Code. There is also an increased risk of inconsistencies between the analysis and the accounts.</p>	<p>Finance staff will ensure that they are aware of the revised requirements through review of the revised Code, attendance at CIPFA events and review of the Audit Scotland Technical Bulletin prior to preparation of the 2016/17 financial statements.</p>	<p>Detailed testing of expenditure and funding analysis.</p> <p>Review of prior year comparatives and restatements.</p> <p>Review of consistency between the expenditure and funding analysis and information contained elsewhere within the annual accounts.</p>
<p><b>4 Changes to governance disclosures</b></p> <p>The Code makes changes to the requirements of the governance statement. This will require additional information to be disclosed to ensure all requirements of the Code are met. This presents a risk that the governance disclosures may not be complete.</p>	<p>Finance staff will ensure that they are aware of the revised requirements through review of the revised Code, attendance at CIPFA events and review of the Audit Scotland Technical Bulletin prior to preparation of the 2016/17 financial statements</p>	<p>Review of governance statement content.</p> <p>Testing of governance disclosures.</p>
<p><b>Wider dimension risks</b></p>		
<p><b>5 Financial sustainability</b></p> <p>To date, additional costs of Individual Electoral Registration (IER) have been recoverable from the Cabinet Office. There are indications, however, that this funding will be reduced as IER becomes 'business as usual'. Future savings will need to be made to achieve a breakeven position and maintain reserves at an appropriate level.</p>	<p>The Joint Board and Treasurer regularly review performance against budget. A response is currently awaited from the Cabinet Office regarding additional funding to cover the costs of IER in 2016/17.</p>	<p>Review of budget monitoring reports during the year and comment on the financial position within the annual audit report.</p>

Audit Risk	Management assurance	Planned audit work
<p><b>6 Governance and transparency</b></p> <p>The following policies require to be reviewed to ensure that they are up to date and reflect the latest guidance:</p> <ul style="list-style-type: none"> <li>• Code of Corporate Governance (last reviewed 2006)</li> <li>• Code of Conduct (last reviewed 2008)</li> <li>• Anti-Fraud and Corruption Policy (last reviewed 2009)</li> <li>• Confidential Reporting (Whistleblowing) Policy (last reviewed 2008)</li> <li>• Contingencies Plan (last reviewed 2010).</li> </ul> <p>In addition, a scheme of delegation has not been prepared for the Joint Board.</p> <p>There is a risk that the existing governance arrangements are not up to date and/or do not reflect best practice.</p>	<p>An action plan will be prepared to ensure all policies are reviewed, updated and submitted for approval by the Joint Board by 30 June 2017.</p> <p>A scheme of delegation will be prepared by 30 June 2017.</p>	<p>Monitor progress against the action plan and comment on governance arrangements in the annual audit report.</p>

## Reporting arrangements

**3.** Audit reporting is the visible output from the annual audit. All annual audit plans and the outputs as detailed in [Exhibit 2](#), and any other outputs on matters of public interest will be published on our website: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).

**4.** Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officers to confirm factual accuracy.

**5.** We will provide an independent auditor's report to Grampian Valuation Joint Board and the Accounts Commission summarising the results of the audit of the annual accounts. We will provide the Accountable Officer and Auditor General for Scotland and Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen in the course of the audit.

## Exhibit 2

### 2016/17 Audit outputs

Audit Output	Target date	Consideration by Joint Board
Annual Audit Report including ISA 260 requirements	18 August 2017	25 August 2017
Signed Independent Auditor's Report	25 August 2017	N/A

### Audit fee

**6.** The proposed audit fee for the 2016/17 audit of Grampian Valuation Joint Board is £6,970. In determining the audit fee we have taken account of the risk exposure of Grampian Valuation Joint Board, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited financial statements, with a complete working papers package on 31 May 2017.

**7.** Where our audit cannot proceed as planned through, for example, late receipt of unaudited financial statements or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises outwith our planned audit activity.

### Responsibilities

#### Joint Board and Treasurer

**8.** Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.

**9.** The audit of the financial statements does not relieve management or the Grampian Valuation Joint Board, as those charged with governance, of their responsibilities.

#### Appointed auditor

**10.** Our responsibilities as independent auditor are established by the 1973 Act for local government and the Code of Audit Practice, and guided by the auditing profession's ethical guidance.

**11.** Auditors in the public sector give an independent opinion on the financial statements. We also review and report on the arrangements within the audited body to manage its performance, regularity and use of resources. In doing this, we aim to support improvement and accountability.

# Audit scope and timing

## Financial statements

**12.** The statutory financial statements audit will be the foundation and source for the majority of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing the public sector. Our audit approach includes:

- understanding the business of Grampian Valuation Joint Board and the associated risks which could impact on the financial statements
- identifying major transaction streams, balances and areas of estimation and understanding how Grampian Valuation Joint Board will include these in the financial statements
- assessing the risks of material misstatement in the financial statements
- determining the nature, timing and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements are free of material misstatement.

**13.** We will give an opinion on the financial statements as to:

- whether they give a true and fair view in accordance with applicable law and the 2016/17 Code of the state of affairs of the Joint Board as at 31 March 2017 and of the income and expenditure of the Joint Board for the year then ended;
- whether they have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2016/17 Code; and
- whether they have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014 and the Local Government in Scotland Act 2003.

## Materiality

**14.** Materiality defines the maximum error that we are prepared to accept and still conclude that that our audit objective has been achieved. It helps assist our planning of the audit and allows us to assess the impact of any audit adjustments on the financial statements. We calculate materiality at different levels as described below. The calculated materiality values for Grampian Valuation Joint Board are set out in [Exhibit 3](#).



### Exhibit 3

#### Materiality values

Materiality level	Amount
<b>Planning materiality</b> - This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It has been set at 1% of gross expenditure for the year ended 31 March 17 based on the budget for 2016/17, rounded to the nearest £1,000.	£44,000
<b>Performance materiality</b> - This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement we have calculated performance materiality at 70% of planning materiality, rounded to the nearest £1,000.	£31,000
<b>Reporting threshold</b> - We are required to report to those charged with governance on all unadjusted misstatements in excess of the 'reporting threshold' amount. This has been calculated at 2% of planning materiality, rounded to the nearest £1,000.	£1,000



15. We review and report on other information published with the financial statements including the management commentary, annual governance report and the remuneration. Any issue identified will be reported to the Joint Board.

#### Timetable

16. To support the efficient use of resources it is critical that a financial statements timetable is agreed with us for the production of the unaudited accounts. An agreed timetable is included at [Exhibit 4](#) which takes account of submission requirements and Joint Board meeting dates:

### Exhibit 4

#### Financial statements timetable

 Key stage	 Date
Latest submission date of unaudited Joint Board's financial statements with complete working papers package	31 May 2017
Consideration of unaudited financial statements by those charged with governance	30 June 2017
Latest date for final clearance meeting with Treasurer or other senior officers	4 August 2017
Agreement of audited unsigned financial statements; Issue of Annual Audit Report including ISA 260 report to those charged with governance	18 August 2017
Independent auditor's report signed	25 August 2017



## Internal audit

**17.** Auditing standards require internal and external auditors to work closely together to make the best use of available audit resources. We seek to rely on the work of internal audit wherever possible and as part of our planning process we carry out an assessment of the internal audit function. The Joint Board's internal audit function is provided by the Moray Council's Internal Audit section.

### Adequacy of Internal Audit

**18.** A review of the internal audit function at the Moray Council will be carried out by the Moray Council audit team in early 2017. This will provide assurance over whether the internal audit function operates in accordance with the Public Sector Internal Audit Standards (PSIAS) and has sound documentation and reporting procedures in place.

**19.** As we will be adopting a substantive approach to the audit of Grampian Valuation Joint Board, we do not plan to place any formal reliance on the work of Internal Audit in 2016/17.

## Audit dimensions

**20.** Our audit is based on four audit dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 5](#).

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## Exhibit 5

### Audit dimensions




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**21.** In the local government sector, the appointed auditor's annual conclusions on these four dimensions will contribute to an overall assessment and assurance on best value.

### Financial sustainability

**22.** As auditors we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on the Joint Board's financial sustainability in the longer term. We define this as medium term (two to five years) and longer term (longer than five years) sustainability. We will carry out work and conclude on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, medium and long term
- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps.

### Financial management

**23.** Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. We will review, conclude and report on:

- whether the Joint Board has arrangements in place to ensure systems of internal control are operating effectively
- whether the Joint Board can demonstrate the effectiveness of budgetary control system in communicating accurate and timely financial performance
- how the Joint Board has assured itself that its financial capacity and skills are appropriate
- whether the Joint Board has established appropriate and effective arrangements for the prevention and detection of fraud and corruption.

### Governance and transparency

**24.** Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information. We will review, conclude and report on:

- whether the Joint Board can demonstrate that the governance arrangements in place are appropriate and operating effectively
- whether there is effective scrutiny, challenge and transparency on the decision-making and finance and performance reports
- the quality and timeliness of financial and performance reporting.

### Value for money

**25.** Value for money refers to using resources effectively and continually improving services. We will review, conclude and report on whether:

- the Joint Board can provide evidence that it is demonstrating value for money in the use of its resources
- the Joint Board can demonstrate that there is a clear link between money spent, output and outcomes delivered
- the Joint Board can demonstrate that outcomes are improving
- there is sufficient focus on improvement and the pace of it.

## Independence and objectivity

**26.** Auditors appointed by Audit Scotland must comply with the Code of Audit Practice. When auditing the financial statements auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has in place robust arrangements to ensure compliance with these standards including an annual “fit and proper” declaration for all members of staff. The arrangements are overseen by the Assistant Auditor General, who serves as Audit Scotland’s Ethics Partner.

**27.** The engagement lead for Grampian Valuation Joint Board is Maggie Bruce, Senior Audit Manager. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of Grampian Valuation Joint Board.

## Quality control

**28.** International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor’s report or opinion is appropriate in the circumstances.

**29.** The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards Audit Scotland conducts peer reviews, internal quality reviews and is currently reviewing the arrangements for external quality reviews.

**30.** As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time and this may be directed to the engagement lead.

# Grampian Valuation Joint Board

## Annual Audit Plan 2016/17

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500 or [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

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T: 0131 625 1500 E: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)  
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**REPORT TO: Grampian Valuation Joint Board on 27 January 2017**

**SUBJECT: Governance**

**BY: The Assessor & ERO**

**1. Reason for Report**

- 1.1 To advise the Board of current position on a number of governance policies and plans including records management, provision of information and equalities mainstreaming.

**2. Recommendation**

- 2.1 **The Board note the current position on a number of governance policies and plans.**

**3. Background**

- 3.1 The Board and the Assessor & Electoral Registration Officer (ERO), in common with all public authorities and statutory officials, are subject to a wide ranging statutory and regulatory governance framework.
- 3.2 Progress has been made during 2016/17 in a number of key areas, such as records management, complaints handling procedure, unacceptable actions policy and data security measures.
- 3.3 Periodic review of the policies implemented by the Board is however necessary to ensure that they continue to meet current legislative and regulatory requirements and are also fit for the current demands and direction of the organisation.

**4. Current position**

- 4.1 Significant work has been carried out to draw up a records management plan over the last 18 months. The Keeper of Records approved the organisation's plan on 29 November 2016, confirming compliance under section 1 of the Public Records (Scotland) Act 2011. The agreement is provided in the **Appendix** to this report and is conditional upon further development of archiving and transfer arrangements, audit and a competency framework for records management personnel. The Keeper will review progress in these areas prior to 29 May 2017.

- 4.2 Arrangements are in hand to ensure implementation of the plan across the organisation and also to carry out development in the areas identified by the Keeper.
- 4.3 In relation to information that is published concerning the Board and the Assessor and ERO, the publication scheme and guide to information that is published online is currently under review in light of the research carried out on behalf of the Information Commissioner in 2016<sup>1</sup>. The research was a web-based audit of 70 public authorities with follow-up telephone or email contact with 44 of those authorities to assess the provision of advice or assistance. The publication scheme and guide to information for the Assessor and Board was one of the 70 public authority schemes included in the research. The research identified areas of improvement in terms of information relating to procurement and expenses but found the provision of advice in response to a specific request by email to be 'very good'.
- 4.4 In terms of equalities the mainstreaming priorities that were originally set out in 2013 and subject to the interim report in 2015 are due to be reviewed prior to 30 April 2017 with fresh equality outcomes identified by that date.
- 4.5 Personnel and other governance policies are currently undergoing review in order to ensure that they meet requirements.

## 5. **Conclusion**

- 5.1 The plans and policies identified in Section 4 about are the subject of active review by the Assessor and his management team, with the assistance of Personnel and input from partner organisations. The outcome of this work will be reported to the Board at its next meeting.

Author of Report: Ian H Milton

Signature: \_\_\_\_\_

Date: 14 January 2017  
\_\_\_\_\_

Designation: Assessor & ERO

Name: Ian H Milton

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<sup>1</sup> <http://www.itspublicknowledge.info/home/SICReports/OtherReports/MPSMonitoring2016.aspx>

**Public Records (Scotland) Act 2011**  
**Grampian Valuation Joint Board**  
**Assessment Report**

**The Keeper of the Records of Scotland**  
**29 November 2016**

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## 1. Public Records (Scotland) Act 2011

The Public Records (Scotland) Act 2011 (the Act) received Royal assent on 20 April 2011. It is the first new public records legislation in Scotland since 1937 and came fully into force on 1 January 2013. Its primary aim is to promote efficient and accountable record keeping by named Scottish public authorities.

The Act has its origins in *The Historical Abuse Systemic Review: Residential Schools and Children's Homes in Scotland 1950-1995* (The Shaw Report) published in 2007. The Shaw Report recorded how its investigations were hampered by poor record keeping and found that thousands of records had been created, but were then lost due to an inadequate legislative framework and poor records management. Crucially, it demonstrated how former residents of children's homes were denied access to information about their formative years. The Shaw Report demonstrated that management of records in all formats (paper and electronic) is not just a bureaucratic process, but central to good governance and should not be ignored. A follow-up review of public records legislation by the Keeper of the Records of Scotland (the Keeper) found further evidence of poor records management across the public sector. This resulted in the passage of the Act by the Scottish Parliament in March 2011.

The Act requires a named authority to prepare and implement a records management plan (RMP) which must set out proper arrangements for the management of its records. A plan must clearly describe the way the authority cares for the records that it creates, in any format, whilst carrying out its business activities. The RMP must be agreed with the Keeper and regularly reviewed.

## 2. Executive Summary

This report sets out the findings of the Keeper's assessment of the RMP of Grampian Valuation Joint Board by the Public Records (Scotland) Act 2011 Assessment Team following its submission to the Keeper on 9 February 2016.

The assessment considered whether the RMP of Grampian Valuation Joint Board was developed with proper regard to the 14 elements of the Keeper's statutory Model Records Management Plan (the Model Plan) under section 8(3) of the Act, and whether in this respect it complies with it and the specific requirements of the Act.

The outcome of the assessment and the Keeper's decision on whether the RMP of Grampian Valuation Joint Board complies with the Act can be found under section 7 of this report with relevant recommendations.

### **3. Authority Background**

The Grampian Valuation Joint Board was established as part of the 1996 re-organisation of local government in terms of The Valuation Joint Boards (Scotland) Order 1995 and is vested with the functions of the three valuation authorities (Aberdeen City Council, Aberdeenshire Council and Moray Council) in the area of the former Grampian Region. With the agreement of the three councils the Board also has responsibility for the Electoral Registration function. The Board comprises 15 members who are appointed by the three councils with the Aberdeen and Aberdeenshire councils each nominating 6 members and Moray Council 3 members.

### **4. Keeper's Assessment Process**

The RMP was assessed by the Public Records (Scotland) Act Assessment Team on behalf of the Keeper. Assessors used the checklist elements listed in section 5, to establish whether Grampian Valuation Joint Board's RMP was developed with proper regard to the elements of the Model Plan and is compliant with the Act. The assessment also considered whether there was sufficient supporting evidence of such compliance.

**Key:**

<b>G</b>	The Keeper agrees this element of an authority's plan.		<b>A</b>	The Keeper agrees this element of an authority's plan as an 'improvement model'. This means that he is convinced of the authority's commitment to closing a gap in provision. He will request that he is updated as work on this element progresses.	<b>R</b>	There is a serious gap in provision for this element with no clear explanation of how this will be addressed. The Keeper may choose to return the RMP on this basis.
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**5. Model Plan Elements: Checklist**

Element	Present	Evidence	Notes
1. Senior Officer <i>Compulsory element</i>	<b>G</b>	<b>G</b>	<p>Grampian Valuation Joint Board (hereafter referred to as 'the Board' for ease of reference) has identified Ian H Milton, Assessor and Electoral Registration Officer (ERO), as having senior management responsibility for records management.</p> <p>This is confirmed in a joint statement from the Assessor and ERO and the Convenor of the Board, Councillor Ronald H Shepherd JP (evidence 4.1), which assigns this responsibility and also shows the Board's commitment to best practice records management.</p> <p>Also submitted is the Board's Document Retention Policy (evidence 4.2) which</p>

			<p>confirms the appointment of the Assessor and ERO as having senior management responsibility for records management. The Policy highlights the importance of records management in complying with the Freedom of Information (Scotland) Act 2002 and the Data Protection Act 1998. The Document Control sheet identifies this Policy as version 1.1 which was approved by the Management Team in August 2016.</p> <p>The Keeper agrees that an appropriate individual has been appointed to take senior management responsibility for records management as required by the Public Records (Scotland) Act 2011.</p>
<p>2. Records Manager <i>Compulsory element</i></p>	<p><b>G</b></p>	<p><b>G</b></p>	<p>The Records Management Plan (RMP) identifies Mark J Adam, Depute Assessor and ERO, as having operational responsibility for records management.</p> <p>The RMP lists as evidence of compliance with this element the Joint Statement by Convener of Grampian Valuation Joint Board and Grampian Assessor and ERO (evidence 4.1). This explicitly names Mr Adam as having operational responsibility for records management.</p> <p>The Document Retention Policy (evidence 4.2), submitted as evidence under this Element, identifies Mr Adam as having day-to-day responsibility for records management. The Document Control sheet identifies this Policy as version 1.1 which was approved by the Management Team in August 2016.</p> <p>Also submitted as evidence 4.3 is the Job Description of the Depute Assessor and ERO. This shows him as having operational responsibility for records management.</p> <p>The Keeper agrees that an appropriate individual has been identified to take operational day-to-day responsibility for records management as required by the Public Records (Scotland) Act 2011.</p>

<p>3. Policy <i>Compulsory element</i></p>	<p><b>G</b></p>	<p>The Board's Document Retention Policy (evidence 4.2) contains a statement of policy relating to records management which covers the importance of securely disposing of records, the management of electronic records and ensuring that records can be located when required. The RMP states that the Assessor and ERO (see Element 1) is responsible for records management within the Board. The Document Control sheet identifies this Policy as version 1.1 which was approved by the Management Team in August 2016.</p> <p>The RMP also states that this is an internal document and once revised and approved will be published on the Board's website. The Board has supplied a screenshot of its intranet, showing the location of the Document Retention Policy and other key information governance documents (evidence 4.33). A Minimum Standards Checklist for the induction of new members of staff has also been submitted (evidence 4.34). This includes making new staff aware of their responsibilities under the RMP as well as carrying out Data Protection training.</p> <p>The RMP itself also contains a statement outlining the importance of records management and describing the recordkeeping systems in place within the Board.</p> <p>Also submitted as evidence is an Appendix to the Document Retention Policy (evidence 4.4) which is the Board's Retention Schedule outlining the retention and disposal periods for each class of record created and managed by the Board.</p> <p>The Board has also submitted its Information Technology Security Policy (evidence 4.5) and Data Access and Building Security Policy which highlights its commitment to maintaining information security.</p> <p>The Keeper agrees that the Board has an approved operational policy statement and has provided evidence of how staff are able to access this so that they are aware of their records management responsibilities.</p>
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<p>4. Business Classification</p>	<p><b>G</b></p>	<p><b>G</b></p>	<p>The Board has submitted its Business Classification Scheme (BCS) (evidence 4.7). The BCS is a three level functional model which identifies the Board's functions, the activities to carry out these functions and the record-creating transactions. The Keeper recognises that the use of the functional model is currently best practice as it is more resilient to organisational restructuring. The BCS is also based on the Board's Retention Schedules which is maintained in order to comply with the Freedom of Information (Scotland) Act 2002.</p> <p>The Future Developments section of the Element states that the BCS and retention schedules are under constant review by the Board's Management Team who are responsible for information governance, including compliance with Freedom of Information and Data Protection legislation.</p> <p>The Board has submitted an email from the Chief Executive's office of Moray Council indicating that they provide the Board with Finance, HR and Payroll functions and hold records on behalf of the Board (evidence 4.35), and these records are managed according to the agreed RMP of The Moray Council.</p> <p>The Keeper agrees that the Board has a BCS which covers the breadth of the authority's record creating activities.</p>
<p>5. Retention schedule</p>	<p><b>G</b></p>	<p><b>G</b></p>	<p>The Board has had a long-established retention schedule which was developed to allow the Board to comply with its obligations under the Freedom of Information (Scotland) Act 2002. The retention schedule is an Appendix to the Document Retention Policy and has been submitted as evidence 4.4.</p> <p>The retention schedule follows the three level structure of the BCS but also sets out the retention periods/triggers, disposal actions, format (electronic/paper), who is responsible for destruction and the level of security. This appears to be a comprehensive schedule which covers the breadth of activities carried out by the Board.</p>



			<p>The retention schedule is supported by the Document Retention Policy which details the procedures in place for the disposal of records based on the periods set out in the retention schedule.</p> <p>The RMP states that the retention schedule is continually monitored for accuracy and along with the Document Retention Policy is subject to a formal annual review.</p> <p>The Future Developments section of this Element states that the shared folder structure of the Board is currently being restructured and file naming conventions are also being established in order to assist with the consistent naming of files.</p> <p>The Keeper agrees that the Board has a retention schedule which details the disposal actions to be taken against the categories of records it creates and manages.</p> <p>The Board has described its destruction arrangements as follows:</p>
<p>6. Destruction Arrangements <i>Compulsory element</i></p>	<p><b>G</b></p>	<p><b>G</b></p>	<p><b>Paper</b> – The Document Retention Policy (evidence 4.2) describes the organisational approach to the destruction of records. The RMP states that destruction takes place according to the timescales set out in the retention schedule. Records are either earmarked for permanent preservation, destruction or for further review. Prior to destruction checks will be made to ensure that records are not subject to any request. The RMP states that a record will be maintained of records which are destroyed.</p> <p>The Board has submitted its Confidential Waste and Disposal Procedures document (evidence 4.36). This was approved by the Management Team in August 2016. It explains the measures in place to ensure the secure destruction of confidential waste. Secure consoles are placed in strategic locations on the Board’s premises and will be collected regularly whereupon it will be securely destroyed by the third-</p>

			<p>party contractor. The document contains an appendix entitled 'Record of Destruction Checklist' which lists the steps to be taken when destroying records. The destruction of records is recorded using a Records Destruction Authorisation Form, which is also appended to the Procedures document.</p> <p>The Board has in place a contract with a commercial waste disposal provider (Shred-it) for the secure destruction of paper records. A certificate of destruction has been provided (evidence 4.9) showing that arrangements are operational.</p> <p><b>Electronic</b> – The Board has submitted its Confidential Waste and Disposal Procedures document (evidence 4.36). It explains the measures in place to ensure the secure destruction of confidential waste. The steps outlined in the Record of Destruction Checklist, which is appended to this document, can equally be applied to electronic records.</p> <p>A screenshot of the Windows folder permissions (evidence 4.40) used by the Board show that unauthorised or accidental deletion of files and folders is prevented by controlling staff permissions to access and amend records.</p> <p><b>Hardware</b> – The Board has submitted its Confidential Waste and Disposal Procedures document (evidence 4.36). It explains the measures in place to ensure the secure destruction of confidential waste and of obsolete hardware.</p> <p>As part of the contract to securely destroy paper records, Shred-it also securely destroys obsolete hardware. The sample destruction certificate (evidence 4.9) also evidences the secure destruction of hardware.</p> <p><b>Back-ups</b> – The destruction periods for the back-up tapes of are listed in the Board's retention schedule. Monthly back-ups are destroyed after 3 years, weekly back-ups are destroyed after 1 month and daily back-ups are disposed of on a</p>
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			<p>weekly basis.</p> <p>The Keeper agrees that there are provisions in place to allow the Board to securely destroy records which are no longer required for business purposes and have no long-term enduring value.</p>
<p>7. Archiving and Transfer <i>Compulsory element</i></p>	<p><b>A</b></p>	<p><b>A</b></p>	<p>The RMP states that printed electoral registers are sent to the library services of Aberdeen City, Aberdeenshire and Moray Councils. Evidence of this arrangement has been submitted in the form of a letter from the ERO to the librarian at Mintlaw (evidence 4.10). Electoral registers, Valuation Rolls and Council Tax lists for the above council areas that are no longer current are delivered to the archivist for Aberdeen and Aberdeenshire. Electronic versions are maintained by the Board in line with its retention schedule.</p> <p><b>The Board has submitted email correspondence with the Archivist at Aberdeen City and Aberdeenshire Archives (evidence 4.37) which shows an agreement in principle to accept the transfer of the Board's corporate records, such as the minutes of Board meetings and other records identified as suitable for permanent preservation. This agreement in principle will be followed up a more formal Service Level Agreement. The Keeper requests that he is sent a copy of this agreement once finalised.</b></p> <p>The Keeper can agree this Element on an 'improvement model' basis. This means that the authority has identified a gap in provision (the lack of formal arrangements to transfer records identified for permanent preservation to a suitable archive) and has evidenced a commitment to closing the gap. This agreement is conditional on receiving the agreed finalised Service Level agreement six months from the date of agreement of this RMP. Should the Keeper not receive the Agreement within this timescale he may re-consider his agreement of this Element, and accordingly as archiving arrangements are specifically mentioned in the Public Records (Scotland) Act 2011, the RMP.</p>

<p>8. Information Security <i>Compulsory element</i></p>	<p><b>G</b></p>	<p>The Board has submitted its Information Technology Security Policy (evidence 4.5). This highlights the Board commitment to protecting its information systems and the information created and managed by these. It also outlines the responsibilities of staff in complying with the Policy. It sets out the procedures for maintaining security within the Board, including aspects such as the secure destruction of obsolete hardware, working off-site, use of passwords and Data Protection.</p> <p>The Board has also provided its Data Access and Building Security (evidence 4.6) covers the physical security of records and details the procedures in place for accessing buildings, clear desk policy and the protection of paper records.</p> <p>All staff are vetted by Disclosure Scotland. An invoice has been provided as evidence of this procedure (evidence 4.12). New employees are required to sign a letter undertaking to comply with the Board's policies and procedures as part of the induction process. A sample letter has been provided as evidence 4.13 as well as a signed copy of the Internet Use Policy (evidence 4.14).</p> <p>The Board also has a suite of policies for ensuring information security, including a Clear Desk and Screen Policy (evidence 4.15), guidelines on compliance with the Data Protection Act (4.16), Acceptable Use Policy for IT systems (4.17) and Email Guidance (evidence 4.18).</p> <p>The RMP states that the above policies are available on the Board's intranet. The Board has submitted a screenshot showing the location on its intranet of the abovementioned policies (evidence 4.44).</p> <p>Also provided are a screenshot of the Protecting Information – Level 1 online training module (evidence 4.1), a sample certificate of completion of the module and a log of staff having completed the training (evidence 4.42), an invoice showing that the Records Manager (see Element 2) has completed, or intends to complete, a</p>
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			<p>Foundation Certificate in Information Governance (evidence 4.43), a copy of a presentation on Security Classification (evidence 4.44) and a copy of a Records Management training presentation (evidence 4.45).</p> <p>The Keeper is able to agree that the Board has robust procedures in place to protect the information it creates and manages.</p>
<p>9. Data Protection</p>	<p><b>G</b></p>	<p><b>G</b></p>	<p>The Board has submitted its Data Protection Act 1998 Guidelines document (evidence 4.16) which describes its approach to dealing with the personal data it collects and manages whilst carrying out its functions and the responsibilities of staff in complying with the Board's obligations. Staff are required to sign an undertaking that they agree to comply with this document (see Element 8).</p> <p>The Assessor and ERO and the Board are registered as Data Controllers with the Information Commissioner's Office. A copy of the registration page has been submitted as evidence 4.19.</p> <p>The Board's website also contains a privacy statement which details its approach to the collection and use of personal data. The Keeper commends this external facing approach.</p> <p>The Keeper agrees that there are appropriate processes in place to protect the personal information collected and managed in the carrying out of the Board's functions.</p>
<p>10. Business Continuity and Vital Records</p>	<p><b>G</b></p>	<p><b>G</b></p>	<p>Section 7c of the Board's Information Technology Security Policy (evidence 4.5) states that back-ups of records and software are taken on a regular basis and stored at a remote location in the event of a disaster.</p> <p>The backing up of electronic information is a key part of the Board's accreditation as part of the Public Service Network (PSN). Rigorous annual testing of the Board's</p>

			<p>network and systems is carried out by an approved external body. The Board has submitted its certificate of PSN compliance (evidence 4.20).</p> <p>A copy of an IT Health Check and Vulnerability Assessment External Management Report has been submitted (evidence 4.21) showing that IT systems are actively tested.</p> <p>The Board takes a strategic approach to managing risk. Business continuity and the identification of information risks is built into the process of identifying potential risks. A copy of the Board's Risk Register and accompanying Report have been submitted as evidence 4.22.</p> <p>The Board has submitted its Contingencies Plan (evidence 4.23) which sets out its potential responses in the event of an interruption to its normal business activities. The current Plan, dated January 2010, is undergoing revision as a result of completing the PSN accreditation process. The Keeper requests he is sent the revised Contingencies Plan once it has been finalised in order to keep the Board's submission up-to-date.</p> <p>The RMP states that paper copies of the Board's vital records are held by Moray Council and are managed under the provisions set out in their agreed RMP. This is confirmed in a letter from Moray Council (evidence 4.35).</p> <p>The Keeper can agree that the Board has procedures in place to resume its operations in the event of an interruption to its normal business.</p> <p>The Board uses three distinct methods of managing its electronic records: bespoke IT systems for carrying out its functions of Electoral Registration, Council Tax and creation of Valuation Rolls; shared drives; paper files.</p> <p>The RMP states that there is audit trail functionality in the software (Oracle) used by</p>
11. Audit trail	A	A	

			<p>the Board for carrying out its 3 main functions. This can identify changes to records and the identity of those making the changes on the system. A screenshot has been supplied showing the audit trail functionality of Oracle (evidence 4.24).</p> <p>The Board also operates a file card sign-out system which records when a file was removed from storage and by whom providing a record of who has accessed a file over time. A copy of a sample file card has been supplied showing that the system is operational.</p> <p>The 'Future Developments' section of this Element states that work is currently underway to rationalise records held on shared drives. The Board has supplied evidence of how it currently imposes access controls to the records held and managed in shared drives (evidence 4.40). File versioning has also been implemented onto the Windows system on which the shared drive structure sits and a screenshot has been supplied showing this (evidence 4.39). Also submitted as evidence is a draft Document Naming Guidelines document (evidence 4.38) which shows that the Board is working towards putting measures in place to impose control on its shared drives.</p> <p>The updated RMP states that a Working Group has been established, chaired by the Depute Assessor for Aberdeenshire and consisting of representatives from the IT, Administration, Valuation and Technical sections, to update the file naming guidance for all electronic documents. A draft Document Naming Guidelines document (evidence 4.38) has been submitted showing that the Board is working towards putting measures in place to impose control on its shared drives. Rationalisation of shared IT folders and the use of SharePoint to enable more robust audit trail provision and a review of access rights is being considered by the Depute Assessor for Aberdeenshire and the IT manager.</p>
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			<p><b>The Keeper can agree this Element on an ‘improvement model’ basis. This means that the authority has identified a gap in provision (audit trail functionality on records held in shared drives) and has evidenced that it is considering options that will close the gap. As part of this agreement, the Keeper requests that he is kept informed as work on the project progresses.</b></p>
<p>12. Competency Framework for records management staff</p>	<p><b>A</b></p>	<p><b>G</b></p>	<p>The RMP states that the individual identified as having operational responsibility for records management, Mr Adam (see Element 2) is also the Data Custodian for the Scottish Assessors Association (SAA) and, as such, sits on the SAA Portal Management Committee and the SAA Governance Committee. The RMP also states ‘Annual objectives in relation to records management include the conclusion and submission of the plan to the Keeper of the Records of Scotland for agreement and implementation along with ongoing critical review during the course of the year by the Management Team and the formal annual review.’ The Board has submitted Mr Adam’s Job Description (evidence 4.3) which shows him as having operational responsibility for records management.</p> <p>The records manager has attended records management events organised by the National Records of Scotland (NRS) and is a member of the Information and Records Management Society. His membership certificate has been submitted as evidence 4.26.</p> <p>The RMP states that all staff must undergo online training in Data Protection and Information Security. Provided as evidence is a screenshot of the Protecting Information – Level 1 online training module (evidence 4.1), a sample certificate of completion of the module and a log of staff having completed the training (evidence 4.42), an invoice showing that the Records Manager (see Element 2) has completed, or intends to complete, a Foundation Certificate in Information Governance (evidence 4.43), a copy of a presentation on Security Classification (evidence 4.44) and a copy of a Records Management training presentation (evidence 4.45).</p>



			<p>The 'Future Developments' section of this Element describes that the Board intends to develop a competency framework for records management which will allow it to measure performance and identify training requirements.</p> <p>The Keeper can agree this Element on an 'improvement model' basis. This means that the authority has identified a gap in provision (lack of records management competency framework/objectives for relevant staff) and has committed to closing this gap. As part of this agreement, the Keeper requests that he is kept informed as work on the project progresses.</p>
<p>13. Assessment and Review</p>	<p><b>G</b></p>	<p><b>G</b></p>	<p>The RMP identifies the records manager as being responsible for formally reviewing the RMP on an annual basis. He is assisted in the assessment of the RMP and associated policies and procedures by the Management Team. Progress is reported to the Assessor and ERO who in turn reports to the Board. A sample Governance Report to the Board has been supplied as evidence 4.27. The RMP confirms that the Board will use ARMS to ensure compliance with its records management requirements. The Keeper recognises that this is an appropriate mechanism by which to measure the Board's compliance with its RMP.</p> <p>The RMP also states that an internal audit facility is available to the Board, provided by The Moray Council, to report on governance arrangements which includes records management. Submitted as evidence is an email from Moray Council's Internal Audit Manager (evidence 4.46) confirming the inclusion of records management in its work programme for 2016/17. The initial audit will be a high level review of the Elements of the RMP and in subsequent years selected Elements will be audited on a cyclical basis based on the level of risk identified with each Element. The Keeper commends the use of auditors in assessing records management provision within an authority.</p> <p>The Keeper agrees that the Board has measures in place to regularly assess and</p>

<p>14. Shared Information</p>	<p><b>G</b></p>	<p><b>G</b></p>	<p>review the currency of its records management provisions.</p> <p>The RMP states that the Board shares information with a third party in limited circumstances but when it does happen an appropriate agreement is entered into. Section 11c of the Board's Information Technology Security Policy (evidence 4.5) covers its approach to Data Protection.</p> <p>Also submitted is a Minute of Agreement (evidence 4.29) between all Assessors and Valuation Joint Boards. The Agreement governs the development of a portal website to allow access to information relating to council tax banding, electoral registration and non-domestic rating. The Agreement commits each Assessor to complying with the Data Protection Act 1998.</p> <p>A Minute of Agreement between Scottish Electoral Registration Officers for sharing the data of 14 to 17 year olds (evidence 4.30) has been submitted. Section 7 of the Agreement relates to information governance.</p> <p>A template Minute of Agreement between Grampian ERO and third parties for the sharing of data in relation to electoral registration has been supplied as evidence 4.31. Section 7 of the Agreement relates to information governance.</p> <p>A sample Agreement has been supplied for the sharing of information in Valuation Rolls between the Assessor and Aberdeen City and Aberdeenshire Councils (evidence 4.32).</p> <p>The Keeper agrees that there are procedures in place to ensure that information can be shared with other bodies in a secure manner and with consideration given to information governance.</p>
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## **6. Keeper's Summary**

Elements 1-14 that the Keeper considers should be in a public authority records management plan have been properly considered by Grampian Valuation Joint Board. Policies and governance structures are in place to implement the actions required by the plan.

Elements that require development by Grampian Valuation Joint Board are as follows:

**Element 7 - The Keeper can agree this Element on an 'improvement model' basis. This means that the authority has identified a gap in provision (the lack of formal arrangements to transfer records identified for permanent preservation to a suitable archive) and has evidenced a commitment to closing the gap. This agreement is conditional on receiving the agreed finalised Service Level agreement six months from the date of agreement of this RMP. Should the Keeper not receive the Agreement within this timescale he may re-consider his agreement of this Element, and accordingly as archiving arrangements are specifically mentioned in the Public Records (Scotland) Act 2011, the RMP.**

## **7. Keeper's Determination**

Based on the assessment process detailed above, the Keeper agrees the RMP of Grampian Valuation Joint Board.

The Keeper recommends that Grampian Valuation Joint Board should publish its agreed RMP as an example of good practice within the authority and the sector.

This report follows the Keeper's assessment carried out by,

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**Pete Wadley**  
Public Records Officer

**Robert Fotheringham**  
Public Records Officer

**8. Endorsement of Report by the Keeper of the Records of Scotland**

The report has been examined and is endorsed under the signature of the Keeper of the Records of Scotland as proof of compliance under section 1 of the Public Records (Scotland) Act 2011, and confirms formal agreement by the Keeper of the RMP as submitted by Grampian Valuation Joint Board. In agreeing this RMP, the Keeper expects Grampian Valuation Joint Board to fully implement the agreed RMP and meet its obligations under the Act.

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**Tim Ellis**  
Keeper of the Records of Scotland



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**REPORT TO:** Grampian Valuation Joint Board on 27 January 2017

**SUBJECT:** Register of Electors – Performance and Developments

**BY:** The Assessor & ERO

**1. Reason for Report**

- 1.1 To submit electoral registration performance details following the publication of the revised registers on 1 December 2016.
- 1.2 To update the Board on current developments in electoral registration.

**2. Recommendation**

- 2.1 **The Board note the content of this report.**

**3. Background**

- 3.1 The performance element of this report is submitted relative to items 9 & 10 of the Code of Corporate Governance and provides statistical data relating to the 2016 autumn canvass and the revised registers published on 1 December 2016.
- 3.2 This report also highlights current developments.

**4.0 Canvass 2016 – Performance details**

- 4.1 The **Appendix** to this report provides statistical data for each council area following the publication of revised registers by 1 December 2016. The local government electorate as at 1 December was 439,589; this is 4,185 more than the electorate when the registers were last revised for 1 December 2015. This is the second Individual Electoral Registration (IER) canvass and due to the two-stage nature of the process of a household canvass stage followed by individual registration stage, the relevance of the 1 December electorate is not as great as it was prior to IER. For example the electorate as at 4 January 2017 increased to 442,159 as the second stage, that of individual registration, continued beyond 1 December 2016.

- 4.2 Since the implementation of the Scottish Elections (Reduction of Voting Age) Act 2015, that reduced the franchise age from 18 to 16 for local government and Scottish parliamentary elections, the question of when a young person can register as an attainer, and to what register do they become an attainer and when has become quite complex. For example, from the 1 December 2016, any young person who met the usual residence and nationality criteria would be entitled to apply to register to vote providing that they would reach the age of 15 by 30 November 2017. However, the position as at the day immediately prior, the 30 November 2016, was that an applicant would on that day have had to be 15 on or before 30 November 2016. On revision of the registers as at 1 December, only 17 year olds can be treated as attainers to the UK Parliamentary register and 15 year olds for the local government register, but from 1 December onwards, 16 year olds can also be treated as attainers to the UK Parliamentary register, and 14 year olds attainers to the local government register providing that they reach the age of 17 or 15 respectively by the 30 November next.
- 4.3 For this reason there is a move away from statistics relating to 'attainers' for the two main registers towards a more straightforward measure; of how many 15, 16 and 17 year olds are currently registered to vote. In this respect there were 11,210 15, 16 and 17 year olds registered to vote as at 1 December 2016. This was an increase of 3,668, (49%) on the corresponding total of 7,542 as at 1 December 2015. As at 4 January 2017 there are 11,755 15/16/17-year olds registered. A further 3,435 young people that are not currently registered to vote will be sent an invitation to register on 20 January.
- 4.4 The impact of the 2-stages to the canvass process is also illustrated by the additions and deletions made during the household canvass period which for 2016 was from 1 August to 30 November. Household canvass returns gave rise to 24,375 deletions from the registers. During the same period 16,778 successful registration applications. A further 5,323 additions and 2,755 deletions were made as at 4 January 2017 and there are a total of 14,427 citizens already in receipt of an invitation to register or about to have one issued to them on 20 January.
- 4.5 The overall canvass return rate was 79% during the 4 month canvass period. This compares to a return rate of 76% for the 2015 canvass. The last full canvass prior to IER and conducted over broadly the same time period was carried out in 2012 and at that time, the canvass return rate was 84%, with a further 8.3% of households being matched against finance data held by local authorities.
- 4.6 The combined number of automated responses to the 2016 canvass was 73,376. This represents a significant increase on the 64,040 automated household responses made in 2015 and exceeds the publicised target of 70,000 automated responses. There is still however capacity to increase the use of automated response channels (online, phone or text) as prior to the introduction of IER 82,092 households had opted to make automated responses.

- 4.7 The number of electors who opt-out of the open registers has continued to increase, with 232,457 (53%) of the electorate as at 1 December 2016 opting out of the open registers that are available for sale to external organisations. As at 1 December 2015, the corresponding figure was 213,544 (49% of the electorate). All under 16s are automatically opted out of the open register and as there is no longer a requirement to re-state the opt out preference on an annual basis; the proportion of electors who opt out of the open register is likely to continue to rise.

## **5.0 Electoral Registration Developments**

### **5.1 Individual Electoral Registration (IER)**

- 5.1.1 Questions continue to be asked whether the current heavily prescribed model for IER represents the most cost effective means of delivering accurate and complete registers. A number of Electoral Registration Officers (ERO)'s have been invited to pilot alternative canvass models during 2017 across Great Britain (2 in Scotland). The potential of using alternative data sources is also being considered and research into the potential benefits of using private tenancy deposit scheme data is underway in Grampian with funding provided by the Cabinet Office.

- 5.1.2 Legislation is currently being implemented that seeks to reduce costs by allowing EROs to send invitations to register by email. It will also make provision to reduce the volume of households that require an annual canvass form by omitting those that have recently returned information indicating that they have only one occupant.

### **5.2 Postal Vote signature refresh**

Postal voters are required to re-submit a fresh signature when requested by the ERO every five years. During the second week of January the service issued 5,598 letters to existing postal voters requesting a fresh signature. The law requires these requests to be followed by a reminder and should a postal voter fail to respond, their postal vote must be cancelled.

### **5.3 Local government elections**

Work is currently at an advanced stage in preparation for the local government elections that take place on 4 May. EROs and Returning Officers have, through the Electoral Management Board for Scotland, agreed a common timetable for the delivery of the elections in terms of register updates, and issue of poll cards and postal ballot packs.

Engagement activities are underway to ensure that all electors, including young people, students and the less able are given every opportunity to participate.

#### 5.4 Scottish Independence Referendum Bill

The Scottish Government published a referendum bill on 20 October 2016 that makes provision for holding a referendum in Scotland on the question of independence. The consultation closed on 11 January and a technical submission was made on behalf of all Scottish EROs by the Scottish Assessors Association Electoral Registration Committee. The Bill makes specific provision for EROs' expenses to be met by the Scottish Government.

### 6.0 Conclusion

- 6.1 The second IER canvass is largely complete and whilst return rates are not as high as they were prior to the introduction of IER, the year on year comparison between 2015 and 2016 show an improvement in both return rates and the use of automated response channels. Detailed statistics for the canvass have been forwarded to the Electoral Commission and, in common with 2015, the accuracy of the register will be tested by elections in May.
- 6.2 The service faces another challenging year with ongoing research and implementation of measures that are designed to address the high demand that IER places on resources.

Author of Report: Ian H Milton  
Background Papers:

Signature: \_\_\_\_\_

Date: 17 January 2017  
\_\_\_\_\_

Designation: Assessor & ERO

Name: Ian H Milton

## Canvass Data as at 1 December 2015

	Local government register (including attainers)	15/16/17 year olds registered	Additions during canvass	Deletions during canvass	Household enquiry form return rate
<b>Aberdeen City</b>	162,847	1,658	9,965	17,629	67%
<b>Aberdeenshire</b>	200,833	2,778	10,003	12,564	80%
<b>Moray</b>	71,722	917	3,711	5,466	78%
<b>Grampian</b>	<b>435,404</b>	<b>5,353</b>	<b>23,679</b>	<b>35,659</b>	<b>76%</b>

## Canvass Data as at 1 December 2016

	Local government register (including attainers)	15/16/17 year olds registered	Additions during canvass	Deletions during canvass	Household enquiry form return rate
<b>Aberdeen City</b>	163,622	3,320	7,325	10,723	71%
<b>Aberdeenshire</b>	202,905	5,808	6,617	9,855	84%
<b>Moray</b>	73,062	2,082	2,836	3,797	83%
<b>Grampian</b>	<b>435,404</b>	<b>11,210</b>	<b>16,778</b>	<b>24,375</b>	<b>79%</b>



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**REPORT TO: Grampian Valuation Joint Board on 27 January 2017**

**SUBJECT: Valuation Roll & Council Tax Valuation List**

**BY: The Assessor & ERO**

**1. Reason for Report**

- 1.1 To advise the Board of performance levels achieved during the period 1 April 2016 to 31 December 2016.
- 1.2 To update the Board on general activities and the work being carried out to conduct the general revaluation of all non-domestic properties in Grampian

**2. Recommendation**

- 2.1 **It is recommended that the Board note the performance information and progress towards completion of the general revaluation**

**3. Background**

- 3.1 The Board's Code of Corporate Governance sets out a framework of performance measurement and evaluation. This framework identifies a number of quantitative service related performance indicators.
- 3.2 The performance thresholds have been set for the performance indicators that have been agreed between the Scottish Government and the Scottish Assessors Association and reviewed by the Board.



#### 4. **Current Position**

##### 4.1 **Valuation Roll**

- 4.1.1 2016/17 is an extremely demanding year for the valuation service. In terms of performance **Appendix 1** provides performance data for the first 9 months of 2016/17 and the previous two whole years. In the report to the Board on 9 June, it was recognised that the focus of the valuation service would be the delivery of the revaluation during the current year. Whilst running roll could not be ignored, the requirement to carry out a general revaluation of all 25,000 non-domestic subjects would have to take priority. The performance thresholds were adjusted to reflect these atypical priorities and **Appendix 1** to this report provides the position as at 31 December 2016.
- 4.1.2 The general revaluation takes effect from 1 April 2017, with every non-domestic subject given a re-assessed rateable value that reflects the market as at 1 April 2015 and the physical circumstances as at 1 January 2017. Draft values were in place for every subject by 30 September 2016 and these were made available to the Scottish Government's finance team via the Scottish Assessors Association (SAA) web portal ([www.saa.gov.uk](http://www.saa.gov.uk)), the shared web-resource provided by Assessors.
- 4.1.3 The draft values were subsequently made available to the public in December 2016 on the Assessors' website [saa.gov.uk](http://saa.gov.uk). The values remain draft and are subject to ongoing checking and revision however they give the public, businesses and other interested parties an indication of the rateable value that their Assessor is likely to finalise for each property.
- 4.1.4 The Scottish Assessors Association website is also being used to gather information on shooting rights, both the extent that they are being exercised and the rents that may be paid. This is part of the revaluation process that Assessors have underway following the decision of Parliament to remove the exemption from assessment for shooting rights from 1 April 2017. Land managers can use the SAA website to make an online return of information and the data that is currently being validated and checked will be used by Assessors to inform their approach to the valuation of shooting rights for the 2017 revaluation.
- 4.1.5 Apart from the revaluation and day to day running roll duties, the service continues to face a number of challenges to rateable values that place significant demands on the Assessor's resources. The nature of the demands is extremely unpredictable as the Assessor must be able to react to challenges in a proportionate and appropriate manner. The fact that it is now almost 7 years since the last general revaluation that took place in 2010 may be giving rise to some of the more sustained challenges that the service is currently facing. The unpredictability aspect is illustrated by the rescheduling of a 5-day Lands Tribunal hearing at a very late stage from December 2016 to early April 2017 due to one of the appellant's experts becoming unavailable at short notice.

## 4.2 Council Tax Valuation List

- 4.2.1 **Appendix 2** provides the position for the first 9 months of 2016/17 and the previous two whole years. Current performance is at the highest level for 2016/17, with 92.7 new dwellings being banded within 3 months of the occupiers moving in. It is still 1.3% below my target of 94% that was set in June 2015 and managers are working to close the gap further. The service is experiencing a modest increase in enquiries from householders who live in dwellings allocated to Band D and above. It appears that a number of enquiries are being made in response to the move to increase tax levels for dwellings in the higher band rates

## 5. Conclusion

- 5.1 The valuation service is continuing to deliver on routine and major periodic tasks such as the revaluation.

Author of Report: Ian H Milton

Signature: \_\_\_\_\_ Date: 14 January 2017

Designation: Assessor & ERO Name: Ian H Milton

## Valuation Roll Performance Indicators as at 31 December 2016

	Time Period	2016/2017 <i>(part year)</i>	2015/2016	2014/2015
<b>Amendments within Time Periods</b>	0 - 3 Months	<b>568</b>	<b>1513</b>	1,505
The number of amendments made to the valuation roll during the year as a result of material change of circumstances and new subjects.	%	<b>68.2%</b>	<b>61.2%</b>	68.4%
	<i>Threshold %</i>	<b>60.0%</b>	<b>77.0%</b>	77.0%
	3 - 6 Months	<b>211</b>	<b>421</b>	366
	%	<b>17.8%</b>	<b>17.0%</b>	16.6%
The time period is the period between the effective date of the amendment and the date the corresponding Valuation Notice is issued.	<i>Threshold %</i>	<b>25%</b>	<b>13.0%</b>	13.0%
	Over 6 Months	<b>166</b>	<b>540</b>	329
	%	<b>14.1%</b>	<b>21.8%</b>	15.0%
	<i>Threshold %</i>	<b>15%</b>	<b>10.0%</b>	10.0%
<b>Number of Amendments</b>		<b>1,185</b>	<b>2,474</b>	2,200
<b>Total Number of Entries</b>	At 1 April	<b>25,267</b>	<b>24,803</b>	24,667
<b>Total Rateable Value</b>	At 1 April	<b>£804.15M</b>	<b>£772.20M</b>	£753.28M

## Appendix 2

## Council Tax Valuation List Performance Indicators as at 31 December 2016

	Time Period	2016/2017 <i>(part year)</i>	2015/2016	2014/2015
<b>New Entries within Time Periods</b>	0 - 3 Months	<b>2,497</b>	<b>2,783</b>	2,430
The time period is the period between the effective date of the amendment and the date the corresponding Banding Notice is issued.	%	<b>92.72%</b>	<b>92.5%</b>	91.7%
	<i>Threshold %</i>	<b>94.0%</b>	<b>94.0%</b>	92.0%
	3 - 6 Months	<b>154</b>	<b>156</b>	140
	%	<b>5.7%</b>	<b>5.2%</b>	5.3%
	<i>Threshold %</i>	<b>3.0%</b>	<b>3.0%</b>	5.0%
	Over 6 Months	<b>42</b>	<b>70</b>	80
	%	<b>1.6%</b>	<b>2.3%</b>	3.0%
	<i>Threshold %</i>	<b>3.0%</b>	<b>3.0%</b>	3.0%
<b>Number of New Entries Added</b>		<b>1,693</b>	<b>3,009</b>	2,650
The Actual number of new dwellings added to the Valuation List during the year.				
<b>Total Number of Entries</b>		<b>284,435</b>	<b>282,009</b>	279,902
The actual number of properties shown in the Valuation List as at 1 April annually.				
<b>Adjusted to Band "D" Equivalent</b>		<b>281,036</b>	<b>278,000</b>	275,251

# QUESTION TIME