

AGENDA ITEM 3

Highland and Western Isles Valuation Joint Board

Minutes of Meeting of the Highland and Western Isles Valuation Joint Board held in Council Headquarters, Glenurquhart Road, Inverness on Thursday 15 September 2016 at 10.30 a.m.

Present:

Representing The Highland Council:

Mrs H Carmichael
Mr N Donald (substitute)
Mr A Duffy
Mr K Gowans
Mr A Mackinnon
Mrs M Paterson

Representing Comhairle nan Eilean Siar:

Mr J Mackay

In attendance:

Mr W Gillies, Assessor and Electoral Registration Officer
Ms D Sutherland, Audit and Risk Manager, Treasurer's Office
Ms M Bruce, Senior Audit Manager, Audit Scotland
Ms V Macdonald, Accountant, Treasurer's Office
Miss J MacLennan, Principal Administrator, Clerk's Office

Mr K Gowans in the Chair

1. Apologies Leisgeulan

Apologies for absence were intimated on behalf of Mr L Fraser, Mr A Graham and Mr F Parr (Highland Council) and Mr A MacLeod (Comhairle nan Eilean Siar).

2. Declarations of Interest Foillseachaidhean Com-pàirt

There were no declarations of interest.

3. Minutes of Meeting of 10 June 2016 Geàrr-chunntas Coinneamh 10 Ògmhios 2016

The Minutes of the Board Meeting of 10 June 2016 had been circulated and were **APPROVED.**

4. Membership Ballrachd

The Board **NOTED** the following change in a Highland Council appointment to the Board:

- Councillor F Parr, replacing the late Councillor J Ford

At this juncture, the Board extended their condolences to Mr Ford's family. Tribute was paid to his extensive knowledge and to the principles he had held. He particularly enjoyed his visits with the Valuation Board to Stornoway and it was fitting that he had been able to attend the last meeting of the Board, held in the Western Isles.

5. Internal Audit Report – Matters Arising from the Statement on Internal Control 2015/16 Aithisg In-sgrùdaidh – Gnothaichean Ag Èirigh bhon Aithris mu In-Smachd 2015/16

There was circulated Report No VAL/17/16 by the Audit and Risk Manager, The Highland Council, providing details of the audit work undertaken since the last report to the Board on 25 November 2015.

It was reported that there had been one audit report issued which related to the Matters Arising from the Statement on Internal Control 2015/16. The report had an audit opinion of Substantial Assurance and contained two recommendations comprising of one high and one medium priority grade. The high grade recommendation related to risk management arrangements not being as robust as expected, an issue which had also been highlighted as a significant governance issue in the Annual Governance Statement. The medium grade recommendation related to the process for the payment and ordering of supplies and services. Members were advised that all recommendations had been accepted by management and actions had been agreed to address these. Some of these had already been completed, target dates had been agreed for the outstanding actions and the final one was due to be implemented by 31 January 2017.

Following consideration, the Board **NOTED** the content of the report and the audit opinion provided.

6. Report to Those Charged with Governance on the 2015/16 Audit Aithisg Dhaibhsan air a bheil Uallach airson Riaghladh air Sgrùdadh 2015/16

There was circulated Report No VAL/18/16 comprising covering memo and the draft Annual Report on the 2015/16 Audit, by the Senior Audit Manager, Audit Scotland.

The Board confirmed that they did not know of any instances of any actual, suspected or alleged fraud or any subsequent events that had occurred since the date of the financial statements or material non-compliance with laws and regulation affecting the entity that required to be brought to the attention of Audit Scotland.

Continuing, the report highlighted a number of provisions, including:-

- subject to the satisfactory conclusion of any outstanding matters and receipt of a revised set of financial statements for final review, Audit Scotland anticipated being able to issue an auditor's report on 15 September 2016;
- the Proposed Independent Auditor's Report (Appendix A to the report) and the Draft Annual Report on the 2015/16 Audit would both have finalised status on signature of the annual accounts;
- the independent auditor's report on the 2015/16 financial statements was unqualified;
- the independent audit found that there were no events or conditions that might cast significant doubt on the Joint Board's ability to continue as a going concern;
- reference was made to the Board's underspend of £0.054m and the need to consider developing longer term financial planning, bearing in mind the ongoing financial constraints of local government;
- the Board had effective governance and appropriate anti-fraud arrangements in place; and
- Audit Scotland placed reliance on Internal Audit's assessment that reasonable assurance could be placed on the adequacy and effectiveness of the Assessor's internal control systems.

As this was Ms Bruce's final year as Auditor of the Valuation Joint Board she expressed her appreciation to Board Members, the Assessor, the Treasurer and their respective teams for their support. In response, the Board thanked her for her hard work and diligence over the years during which she had ably assisted Board Members to effectively scrutinise the information brought before them.

Thereafter, the Board **NOTED** the report.

7. Audited Accounts 2015/16 Cunntasan Sgrùdaichte 2015/16

There was circulated Report No. VAL/19/16 which comprised the Audited Statement of Accounts for the financial year 2015/16.

In speaking to the report, the Treasurer's representative highlighted that the Annual Accounts included a management commentary section which provided performance information for 2015/16. This included a budget statement which showed an underspend of £0.054m for 2015/16. As the Board continued to hold the maximum permitted in its reserves, the underspend had been returned to constituent authorities in the same proportion as requisition funding. An annual governance statement was now required in the annual accounts and this explained the processes and procedures in place to enable the Board to carry out its functions effectively.

Continuing, the balance sheet showed the net pension liability, resulting in a negative balance sheet total of £5.053m. The constituent authorities of the Board would continue to fund the liabilities of the Board and therefore the accounts were prepared on a going concern basis.

In discussion, the underspend was highlighted and it was hoped that the constituent authorities would recognise the measures taken by the Board in ensuring savings were achieved.

Thereafter, the Board **APPROVED** the Audited Accounts for signature.

8. Monitoring of Retirements Cumail Sùil air Cluaineis

It was reported that the Highland Council was an administering authority of the Local Government Pension Scheme and was therefore responsible for the costs involved with the pension fund, in which a number of employers participated, including the Highland and Western Isles Valuation Joint Board.

In accordance with Accounts Commission for Scotland guidance, information was provided to the Board on an annual basis relating to the number and types of retirements of Valuation Joint Board staff members of the Scheme.

The Board **NOTED** that there was one retirement by Highland and Western Isles Valuation Joint Board staff members of the Local Government Pension Scheme during the period 1 April 2015 to 31 March 2016.

9. Revenue Budget Monitoring Statement 2016/17 Aithris Sgrùdaidh Buidseit Teachd-a-Steach 2016/17

There was circulated Report No VAL/20/16 by the Assessor and Electoral Registration Officer setting out the revenue monitoring position for the period to 31 July 2016 and the projected year end position.

It was reported that net expenditure to date represented 29% of the annual budget of £2.861m and, at this point in the year, the overall outturn was expected to be on budget.

A breakdown was sought as to what expenditure was included under the description of "other" costs in the Staff, Property and Administrative Headings. As this was still relatively early in the financial year Board Members concurred that such information could wait to be reported until the Board's next meeting.

The Board otherwise **NOTED** the content of the report.

10. Departmental Report Aithisg Roinneil

There was circulated Report No VAL/21/16 by the Assessor and Electoral Registration Officer which outlined the main business of the office of the Assessor and Electoral Registration Officer since the last meeting of the Board.

A detailed overview of the main business of the department was provided. During the period since the last meeting the referendum on continued membership of the European Union had taken place and there had been one sitting of the Valuation Appeal Committee. Amongst other areas of activity there were Electoral Registration, the preparation for the 2017 Revaluation and the general maintenance of the Valuation Roll and Council Tax list, the review of administrative policies and drawing up a Records Management Plan for the Keeper of the Records of Scotland.

In particular, it was reported that Mr George Peebles had resigned from his post as a Senior Technical Assistant in the Dingwall Office on 9 February after 34 years service

to take up a post with Grampian Assessor. The Board and the Assessor & ERO extended their appreciation to Mr Peebles for his dedicated service over the years.

Discussion then took place around the annual electoral canvas. Last year's response had been disappointing but the position this year was much improved with the return rate now standing at 60%. Greater encouragement was being provided for the public to use Interactive Voter Registration (IVR) as this allowed a response to be made to the householder enquiry form via a dedicated web portal, text or phone rather than post. To date 21,000 responses had been made using this, generating savings to the Board. It was queried if the Household Enquiry Forms themselves could be issued electronically but it was explained that this, together with the reminder forms and the doorstep visits, were a legal requirement. Consideration was being given as to how the system could be streamlined as it had been acknowledged that Individual Electoral Registration had generated additional financial implications.

The increase use of IVR was welcomed, given the potential substantial savings. It was recognised that this could be further improved through raising awareness, educating, encouraging and building confidence of the public and discussion should take place with Highland Council's Digital Inclusion Team and High Life Highland. Further measures were being looked at to gauge how best the Service could engage electronically with the electorate although it was recognised that there needed to be some confirmation when contact was made that correspondence was being dealt with.

It was brought to the attention that some Board Members had not received a pre-paid return envelope to the Householder Enquiry Form reminder letters and the Assessor undertook to investigate this.

Thereafter, the Board **NOTED** the recent activities of the Department as set out in the report.

11. IT Strategy Report **Aithisg Ro-innleachd IT**

There was circulated Report No VAL/22/16 by the Assessor and Electoral Registration Officer which detailed an IT Strategy for the Board.

Introducing the report, the Assessor and ERO explained that the Strategy set out to the Board how IT would develop in the Service over the next 5 years. It recognised the economies of scale which could be generated but also identified the need for specialist software that the Assessor and ERO required to carry out various functions. The Strategy detailed how these systems would develop and the basic requirements for each of these systems. The ability of these systems would be monitored and changes made accordingly to improve their functionality and/or efficiency. It also detailed how it might be possible to provide independent devices and the digitising of the work carried out in the field where it was identified that this would improve efficiency and service. Turning to Records Management, in recognition of the considerable amount of information the Assessor and ERO held, it was acknowledged that there was a need to move towards a more digitised record system.

In discussion it was suggested that the identification of the current service provider should be removed, making it a more generic document. However, it was accepting

that by keeping such detail in it ensured that the document was continually revisited and reviewed. Information was also sought, and received, as to how the IDOX software was performing in terms of providing a fully efficient and effective operation for those ERO's using that system.

Thereafter, the Board **NOTED** the IT Strategy as set out in the report.

12. Flexible Working Policy
Poileasaidh Obracht Shùbailte

There was circulated Report No. VAL/23/16 by the Assessor and Electoral Registration Officer which provided an update to the existing Flexible Working Policy.

The Board **APPROVED** the updated Flexible Working Policy.

The meeting concluded at 11.25 p.m.