

AYRSHIRE VALUATION JOINT BOARD

Minutes of meeting held on Tuesday, 31st March 2015 at 10.30 a.m. within County Buildings, Ayr.

Item 1 - Sederunt.

Present:

East Ayrshire Councillors: George Mair, William Menzies and Jim Roberts.

North Ayrshire Councillors: Matthew Brown (Chair), John Easedale, Catherine McMillan and Donald Reid,

South Ayrshire Councillors: Andy Campbell, John Hampton, Rita Miller and Alec Oattes.

In Attendance: Helen McPhee, Assessor and ERO; John McConville, Head of Valuation Services and Assistant ERO; Harry McCormick, Principal Administrative and IT Development Officer; Tom Simpson (for Treasurer), South Ayrshire Council; Karen Briggs (for Clerk); Karin Muir, East Ayrshire Council; and Avril Gerrish, Committee Services Officer, South Ayrshire Council.

Also in

Attendance: Alan MacKenzie, Auditor, Audit Scotland and Paul Bonfanti, Trainee Auditor, Audit Scotland.

Apologies:

Councillor Jim Todd, East Ayrshire Council;
Councillor George Mair, East Ayrshire Council;
Councillor John Fergusson, North Ayrshire Council;
Councillor Ronnie McNicol, North Ayrshire Council; and
Councillor Robin Reid, South Ayrshire Council.

Item 2 – Declarations of Interest.

There were no declarations of interest by Members in terms of the Councillors' Code of Conduct.

Item 3 - Minutes of Previous Meeting.

The Minutes of meeting of the Joint Board held on 13th January 2015 were submitted and approved as a correct record.

Item 4 – Audit Scotland – Corporate Governance – Review of Internal Audit.

There was submitted (circulated) a report dated 20th March 2015 by the Treasurer

- (1) advising of Audit Scotland's assessment of the Council's Internal Audit function;
- (2) intimating that Audit Scotland had been the appointed external auditor to the Ayrshire Valuation Joint Board for the financial years 2011/12 to 2015/16 and that their Code of Practice required the Board's external auditors to assess and report on the adequacy, strengths and weaknesses of internal audit in order to form an opinion on the extent to which they could place formal reliance on the work carried out by internal audit; and
- (3) reporting
 - (a) that Audit Scotland had now completed their assessment of the Council's Internal Audit function and that a copy of the report was contained in Appendix 1 of the report;
 - (b) that Audit Scotland had concluded that they would place formal reliance on specified areas of internal audit work, both in relation to their work on financial statements and to the wider scope of their audit responsibilities;
 - (c) that for their financial statements audit responsibilities, they planned to place formal reliance on aspects of Internal Audit's work in the following areas:-
 - cash income and banking; transaction processing;
 - non-domestic rates: billing;
 - council tax; billing, collecting and refunds; and
 - payroll; starters and leavers;
 - (d) that in terms of their wider responsibilities under the Code in relation to governance and performance, they also plan to place formal reliance on selected aspects of the work of Internal Audit in the following areas:
 - Aspects of performance indicators;
 - National Fraud Initiative inputs and outputs; and
 - Annual Assurance Statements; and
 - (e) that Audit Scotland would continue to monitor and review completed Internal Audit assignments to ensure that work on which they were placing reliance had been delivered as any failure to complete areas where formal reliance had been agreed could impact on their plan and agreed audit fee.

Decided:

- (i) to approve the contents of the report; and
- (ii) to note that Audit Scotland had placed formal reliance on internal audit work for 2014/15.

Item 5 – Revenue Monitoring Report 2014/15 – Period to 28th February 2015.

There was submitted (circulated) a report dated 20th March 2015 by the Treasurer

- (1) advising that the Revenue Estimates for 2014/15 had been approved by the Board on 14h January 2014 and that the Board on 13th January 2015 had approved the creation of additional income and expenditure budgets in respect of IER funding received;
- (2) detailing the income and expenditure for the period to 28th February 2015 as contained in Appendix 1 of the report, compared to the approved Revenue Estimates and outlining the main variances from budget; and
- (3) highlighting
 - (a) that the report recorded a year-to-date underspend of £120,000 and, including anticipated additional funding (and corresponding expenditure) for 2014/15, a projected full year underspend of approximately £120,000 subject to the timing of further income and expenditure in respect of IER, maximising registration and household notifications; and
 - (b) that the figure included the planned surplus (contribution to Reserves) of £51,135 and also unutilised funds in respect of IER and other funded projects.

Clarification was sought and provided on the additional Independence Referendum funding of £36,000 provided by the Scottish Government and also the overspend of £30,000 on Payments to Agencies.

The Assessor and ERO informed the Board that she thought she would have been able, by this time to submit a report to the Board re staffing. This had not been possible due to other pressures on her time but intimated that it would be submitted to the Board shortly. This would address any vacant posts and would require a revised Workforce Plan to be in place before the Board for approval. In addition a replacement to the current Electoral Management System was being sought which would involve an additional unplanned cost.

Decided:

- (i) to approve the contents of the report including the carry-forward to 2015/16 of any unutilised funding in respect of specific projects; and
- (ii) to request the Treasurer to provide updated figures to the next meeting.

Item 6 – Annual Audit Plan 2014/15.

There was submitted (circulated) a report dated 20th March 2015 by the Treasurer

- (1) providing background to the presentation by Audit Scotland on its Annual Audit Plan; and
- (2) advising
 - (a) that Audit Scotland had analysed the risks facing Ayrshire Valuation Joint Board and had planned the audit work accordingly;

- (b) that the audit went beyond simply providing assurance on the financial statements and the organisation's internal control environment and that the auditors were required to provide a view on performance, regularity and the organisation's use of resources;
- (c) that in carrying out the audit, Audit Scotland had sought various assurances from the Board as outlined within the report; and
- (d) that the Audit Plan attached to the report provided a summary of Audit Scotland's assessment of the key issues facing the Board and outlined the planned audit action, taking account of management assurances provided.

Mr. Alan McKenzie from Audit Scotland presented the Annual Audit Plan for 2014/15 to the Board and outlined the key elements contained therein including audit issues and risks. The Auditor noted the progress the Board had made over the last two years.

Decided: to note the contents of the report.

Item 7 – Valuation and Performance.

There was submitted (circulated) a report dated March 2015 by the Head of Valuation Services and Assistant ERO outlining the Valuation and Performance position to November 2014 in relation to the following:-

- (1) Non-Domestic Subjects
 - Appeals referred to the Lands Tribunal for Scotland;
 - Outstanding Appeals not referred to Lands Tribunal for Scotland; and
 - the Revaluation 2017;
- (2) Council Tax Appeals;
- (3) VAC Hearing Dates;
- (4) Performance in Council Tax and Non-Domestic Valuation;
- (5) Draft Performance Levels for 2015/16; and
- (6) concluding
 - (a) that performance levels were still ahead of target and close monitoring and scrutiny of all performance targets and outputs continued; and
 - (b) that whilst the desire to show continuous improvement was the Board's aim, a final decision on 2015/16 performance targets would be taken in light of current and future anticipated work commitments.

Congratulations were conveyed to the Board on their Performance achievements. Concerns were expressed by Members in relation to timescales of the ongoing 2005 Appeals referred to the Lands Tribunal for Scotland. The Assessor and ERO advised of the strict statutory

timetable to deal with such matters. However she had no jurisdiction over the Lands Tribunal for Scotland. Currently she was involved in various consultations regarding a review of the non-domestic appeals system and had made representations on the current system through the Scottish Assessors Association and Royal Institution of Chartered Surveyors.

Decided: to note the contents of the report.

Item 8 – 2017 Non-Domestic Rating Revaluation Report.

There was submitted (circulated) a report of March 2015 by the Assessor and ERO

- (1) informing of the work that required to be undertaken for the 2017 Non-Domestic Rating Revaluation;
- (2) advising that the table outlined in Appendix 1 of the report showed the number of subjects to be analysed and valued; and
- (3) reporting that the Revaluation would involve a considerable amount of hard work by the Assessor's staff, not just in the mechanics of revaluation but also in the discussions and negotiations that required to be carried out under the auspices of the Scottish Assessors' Association to achieve the timeous completion of Practice Notes.

In relation to Appendix 1 of the report, a Member requested if comparison figures from previous years could be included for future reports and the Assessor and ERO advised that this would be taken on board.

Decided: to note

- (a) the contents of the report; and
- (b) that progress reports would be submitted to each meeting of the Board.

Item 9 - Electoral Registration.

There was submitted (circulated) a report dated March 2015 by the Principal Administrative and IT Development Officer outlining the current position with regard to the Board's functions concerning Electoral Registration including:-

- (1) Individual Electoral Registration (IER) and interim Canvass and that the register had been published 27th February 2015;
- (2) UK Parliamentary General Election; and
- (3) Voter Engagement and Advertising.

There was a discussion regarding the performance of the Board's current Electoral Management System and the Assessor and ERO informed that she would be consulting with the three Returning Officers regarding the future of the current system and this would be reported in due course.

Decided: to note the contents of the report.

Item 10 – Maximising Electoral Registration.

There was submitted (circulated) a report of March 2015 by the Assessor and ERO

- (1) outlining the progress on maximising registration/democratic engagement;
- (2) reporting that the approach was on the reliance on a robust local public engagement strategy which would engage with underrepresented groups and ensure the completeness and accuracy of the register;
- (3) advising that the main activities such as the canvass was covered in the Electoral Registration Report; and
- (4) informing that progress made had involved partnership working with three Chief Executives (Returning Officers) of the three Ayrshire Councils.

Councillor Miller raised a question over the statistics from the Census and was advised that the Assessor and ERO would investigate and report back to her.

Decided: to note the contents of the report.

Item 11 – Staffing.

There was submitted (circulated) a report of March 2015 by the Head of Valuation Services and Assistant ERO advising of the current staffing issues within the Board.

Decided: to note the contents of the report.

Item 12 - Date of Next Meeting.

The Board noted that the next meeting would be held on Tuesday, 19th May 2015 at 10.30 a.m. within the Robert Burns Suite, Burns Monument Centre, Kay Park, Kilmarnock.

The meeting ended at 11 55 a.m.