

Renfrewshire Valuation Joint Board

2015/16 Annual audit
report to Members and
the Controller of Audit

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The Accounts Commission is a statutory body which appoints external auditors to Scottish local government bodies (www.audit-scotland.gov.uk/about/ac/). Audit Scotland is a statutory body which provides audit services to the Accounts Commission and the Auditor General (www.audit-scotland.gov.uk/about/).

The Accounts Commission has appointed Anne McGregor as the external auditor of Renfrewshire Valuation Joint Board for the period 2011/12 to 2015/16.

This report has been prepared for the use of Renfrewshire Valuation Joint Board and no responsibility to any member or officer in their individual capacity or any third party is accepted.

The information in this report may be used for the Accounts Commission's annual overview report on local authority audits published on its website and presented to the Local Government and Regeneration Committee of the Scottish Parliament.

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Key messages

Audit of financial statements

- Unqualified auditor's report on the 2015/16 financial statements.
- No significant adjustments to the financial statements as a result of the audit.

Financial management and sustainability

- RVJB is financially sustainable in the short to medium-term. In previous years we have reported on the high level of reserves. In 2015/16 RVJB used reserves to fund costs of voluntary severance and 2016/17 budget includes planned use of reserves. Reserves as at 31 March 2017 are forecast at 14% of core turnover, a level seen as prudent to protect against unforeseen costs.
- A review of non-requisition income and scenario planning over the medium to long-term would improve financial management.

Governance and transparency

- Systems of internal control operated effectively but disaster recovery arrangements to be completed.
- Internal audit concluded reasonable assurance over systems of internal control
- Meetings and papers are open to the public.

Outlook

- A new service plan is being finalised. In the meantime focus over the coming months will be completing the revaluation of all non-domestic properties by the 30 September 2016.
- Good financial management remains a priority as requisitions decrease by 3% (after remaining at the same level for the previous three years) and funding from the Cabinet Office decreases.

Introduction

1. This report is a summary of our findings arising from the 2015/16 audit of Renfrewshire Valuation Joint Board (RVJB). The report is divided into sections which reflect our public sector audit model.
2. The management of RVJB responsible for:
 - preparing financial statements which give a true and fair view
 - implementing appropriate internal control systems
 - putting in place proper arrangements for the conduct of its affairs
 - ensuring that the financial position is soundly based.
3. Our responsibility, as the external auditor of RVJB is to undertake our audit in accordance with International Standards on Auditing, the principles contained in the Code of Audit Practice issued by Audit Scotland in May 2011 and the ethical standards issued by the Auditing Practices Board.
4. An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. It is the auditor's responsibility to form and express an opinion on the financial statements; this does not relieve management of their responsibility for the preparation of financial statements which give a true and fair view.
5. A number of reports, both local and national, have been issued by Audit Scotland during the course of the year. These reports, summarised at [appendix II](#) and [appendix III](#), include recommendations for improvements.
6. [Appendix IV](#) is an action plan setting out our recommendations to address the high level risks we have identified during the course of the audit. Officers have considered the issues and agreed to take the specific steps in the column headed "Management action/response". We recognise that not all risks can be eliminated or even minimised. What is important is that RVJB understands its risks and has arrangements in place to manage these risks. The RVJB and executive officers group should ensure that they are satisfied with proposed action and have a mechanism in place to assess progress and monitor outcomes.
7. We have included in this report only those matters that have come to our attention as a result of our normal audit procedures; consequently, our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.
8. The cooperation and assistance afforded to the audit team during the course of the audit is gratefully acknowledged.
9. 2015/16 is the final year of the current five-year audit appointment. From 2016/17 the auditor of RVJB will be a new Audit Scotland team. In accordance with agreed protocols and International Standards on Auditing we will be liaising with the incoming auditors as part of this transition.

Audit of the 2015/16 financial statements

Audit opinion	<ul style="list-style-type: none">We have completed our audit of the RVJB and issued an unqualified independent auditor's report.
Going concern	<ul style="list-style-type: none">The financial statements of the RVJB have been prepared on the going concern basis. We are unaware of any events or conditions that may cast significant doubt on the RVJB's ability to continue as a going concern.
Other information	<ul style="list-style-type: none">We review and report on other information published with the financial statements, including the management commentary, annual governance statement and the remuneration report. We have nothing to report in respect of these statements.

Submission of financial statements for audit

10. We received the unaudited financial statements on 13 May 2016 and working papers in June, in accordance with the agreed timetable. The working papers were of a good standard and staff provided good support to the audit team which assisted the delivery of the audit to deadline.

Overview of the scope of the audit of the financial statements

11. Information on the integrity and objectivity of the appointed auditor and audit staff, and the nature and scope of the audit, were outlined

in our Annual Audit Plan presented to the Audit Committee on 20 May 2016.

12. As part of the requirement to provide full and fair disclosure of matters relating to our independence, we can confirm that we have not undertaken non-audit related services. The 2015/16 agreed fee for the audit was set out in the Annual Audit Plan and, as we did not carry out any work additional to our planned audit activity, the fee remains unchanged.
13. The concept of audit risk is of central importance to our audit approach. During the planning stage of our audit we identified a number of key audit risks which involved the highest level of judgement and impact on the financial statements and consequently had the greatest effect on the audit strategy, resources and effort.

We set out in our Annual Audit Plan the audit work we proposed to undertake to secure appropriate levels of assurance. [Appendix I](#) sets out the significant audit risks identified during the course of the audit and how we addressed each risk in arriving at our opinion on the financial statements.

14. Our audit involved obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

Materiality

15. Materiality can be defined as the maximum amount by which auditors believe the financial statements could be misstated and still not be expected to affect the decisions of users of financial statements. A misstatement or omission, which would not normally be regarded as material by amount, may be important for other reasons (for example, an item contrary to law).
16. We consider materiality and its relationship with audit risk when planning the nature, timing and extent of our audit and conducting our audit programme. Specifically with regard to the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.
17. We summarised our approach to materiality in our Annual Audit Plan. Based on our knowledge and understanding of RVJB we set our planning materiality for 2015/16 at £25,400 (one per cent of gross expenditure). Performance materiality was calculated at

£19,000, to reduce to an acceptable level the probability of uncorrected and undetected audit differences exceeding our planning materiality level.

18. On receipt of the financial statements we reviewed our materiality levels. Materiality remained at one per cent but all pension costs were now included in the calculation. Therefore materiality increased to £30,165 and performance materiality to £22,625. We report all misstatements greater than £1,000.

Evaluation of misstatements

19. All misstatements identified during the audit, which exceeded our misstatement threshold, have been amended in the financial statements.
20. A number of presentational adjustments were identified within the financial statements during the course of our audit. These were discussed with relevant officers who agreed to amend the unaudited financial statements. One small financial error was identified and the financial statements changed; the effect of the adjustment was to decrease the cost of services, and increase prepayments by £4,388.

Significant findings from the audit

21. International Standard on Auditing 260 requires us to communicate to you significant findings from the audit, including:
 - The auditor's views about significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.

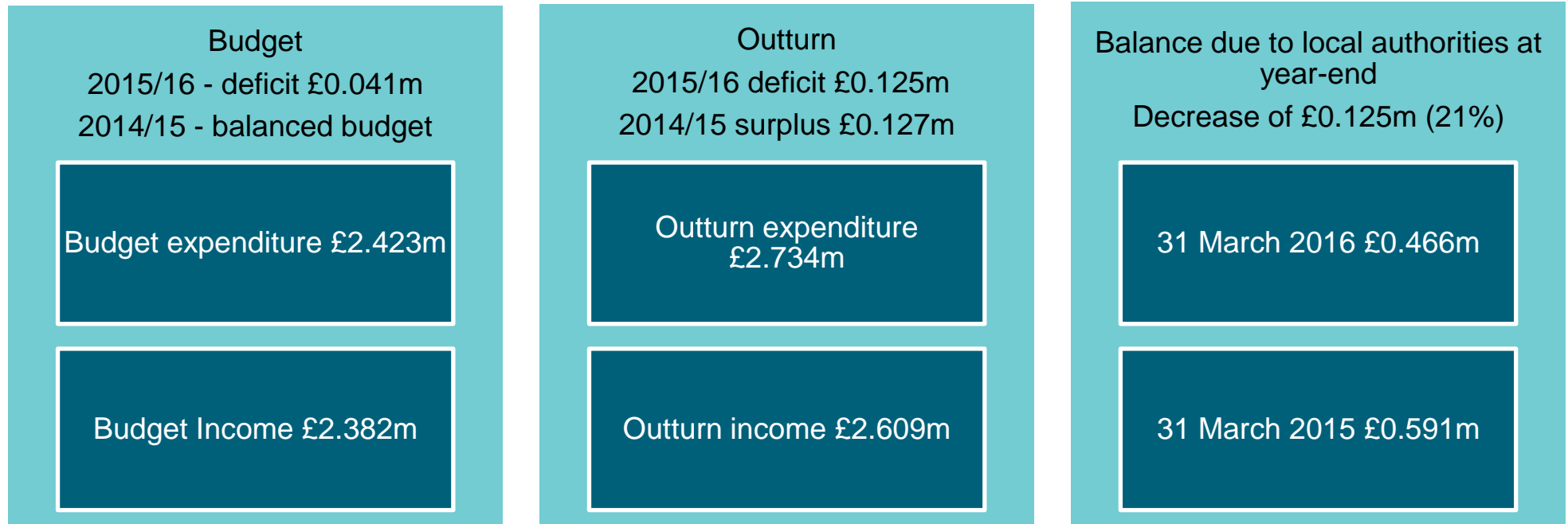
- Significant difficulties encountered during the audit.
 - Significant matters arising from the audit that were discussed, or subject to correspondence with management.
 - Written representations requested by the auditor.
 - Other matters which in the auditor's professional judgment, are significant to the oversight of the financial reporting process.
22. There are no matters, other than those set out elsewhere in this report, to which we wish to draw to your attention.

Future accounting and auditing developments

Code of Audit Practice

23. A new Code of Audit Practice will apply to all audits from financial year 2016/17. There will be a focus on four areas:
- Financial sustainability.
 - Financial management.
 - Governance and transparency.
 - Value for money.
24. In addition, as well as the annual audit report, other significant outputs, such as the annual audit plan, will be published on Audit Scotland's website.

Financial management and sustainability



Financial management

25. In this section we comment on the RVJB's financial outcomes and assess the council's financial management arrangements.
26. RVJB sets an annual budget to meet its service and other commitments for the forthcoming financial year. Regular monitoring

of expenditure and income against agreed budgets is central to effective financial management.

Financial outcomes

27. RVJB incurred an accounting deficit on the provision of services of £0.403m, as shown in the Comprehensive Income and Expenditure Statement (CIES). In the CIES, cost of services increased from £2.736m to £2.882m, a 5% increase. The main increase from

2014/15 is on employee costs. This is due to additional canvassing work as a result of the roll out of IER, staff overtime in the lead up to Scottish Parliamentary elections and a result of two members of staff being released under a voluntary early retirement exercise.

28. The deficit as presented in the management commentary (and in the table above), of £0.125m is different because it is prior to items such as pension adjustments and employee leave accrual. As the budget is prepared and monitored against in this way, it is appropriate for the management commentary details to be presented as such.
29. RVJB planned for a deficit of £0.041m but the final deficit was £0.125m and is higher primarily due to voluntary retirement costs. In previous years we reported on the high level of reserves and in January 2016 members approved to use reserves to meet the costs associated with voluntary severance.

Financial management arrangements

30. As auditors, we need to consider whether RVJB have established adequate financial management arrangements. We do this by considering a number of factors, including whether:
- the proper officer has sufficient status within the RVJB to be able to deliver good financial management
 - financial regulations are comprehensive, current and promoted within the RVJB
 - reports monitoring performance against budgets are accurate and provided regularly to budget holders

- monitoring reports do not just contain financial data but are linked to information about performance
 - members provide a good level of challenge and question budget holders on significant variances.
31. We assessed the role and status of the proper officer against CIPFA's "Statement on the role of the Chief Financial Officer in Local Government" and concluded that the RVJB complies with the statement's five principles.
32. We reviewed the RVJB's financial regulations, which were last revised in August 2014, and concluded that they are comprehensive and current. The financial regulations, along with Joint Board meeting papers and minutes, are available on Renfrewshire Council's website.
33. Revenue budget monitoring reports are submitted to the Joint Board on a quarterly basis. As well as providing comments on income and expenditure to date, the reports forecast the year-end outturn. The accounts include details of final outturn to budget.
34. As shown at **Exhibit 1** below, there has been a trend in recent years in the over-recovery of Other Income, with actual exceeding the budget amount quite considerably. The majority of other income is for recovery of costs for specific projects and in particular Individual Electoral Registration (IER).
35. We recommend RVJB review the budget setting process for *Other Income* to see if they can find a process which would bring the

budget figure more in line with the expected activity and recovery of costs. For 2016/17, there is now a separate budget for IER.

Appendix IV – action plan point 1

Exhibit 1: Other Income

As at 31 March	2015/16	2014/15	2013/14	2012/13
Budget	£91,000	£175,200	£3,000	£3,000
Actual	£311,047	£481,077	£181,656	£192,981
Variance	£220,047	£305,877	£178,656	£189,981

Source: Renfrewshire Valuation Joint Board Accounts 2013/14 – 2015/16

Financial sustainability

36. Financial sustainability means that RVJB has the capacity to meet the current and future needs of its users. In assessing financial sustainability we are concerned with whether:
- there is an adequate level of reserves
 - spending is being balanced with income in the short-term
 - long-term financial pressures are understood and planned for
 - investment in services and assets is effective.
37. Effective long-term financial planning, asset management and workforce planning are crucial to sustainability.

Balance due to Local Authorities

38. Like all joint boards, RVJB has no specific powers to retain reserves to meet future requirements and technically the amounts are due to local authorities. These balances are used to support medium-term financial planning and address any unforeseen costs.
39. In previous years we have reported on the high level of reserves and note the overall level of unallocated reserves held by RVJB has decreased by £0.125m (21%). The closing balance of £0.467m is 19% of 2016/17 budgeted expenditure. The projected closing balance as at 31 March 2017 is 14% of core turnover which officers assess as being a prudent level to protect against unforeseen costs.

Exhibit 2: Reserves/balances due to Local Authorities

As at 31 March	2017 projected	2016	2015	2014
Balance	£336,590	£466,704	£591,440	£463,991

Source: Renfrewshire Valuation Joint Board Accounts 2013/14 – 2015/16

Pension liability

40. The net liability on RVJB's balance sheet decreased from £4.006m in 2014/15 to £2.824m in 2015/16, a reduction of £1.182m. The principal reason for this decrease is the £1.180m decrease in the pension liability from £3.966m to £2.786m.

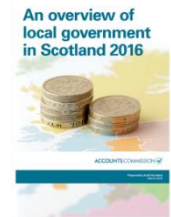
41. The pension liability represents the difference between expected future pension payments and the underlying value of pension fund assets available to meet this cost.
42. A material net liability can highlight a potential going concern issue however we recognise that the appointed actuary is of the view that the asset holdings and contributions from employees and employers together with increases in contributions provide security over future liabilities. In light of these factors, it is reasonable that the accounts are prepared on a going concern basis.

Financial planning

43. RVJB approved its 2016/17 budget in January 2016 with budgeted expenditure £2.487m.
44. RVJB has decreased the requisitions from member authorities in 2016/17 by 3%, meaning that the requisition income for 2016/17 is £2.213m. The difference between income and expenditure will be met by drawing down £0.110m from the reserves balance.
45. In June 2014, Audit Scotland reported on [Scotland's public finances](#) and identified that public bodies “face increasingly difficult choices in reducing spending while maintaining service standards and meeting rising demand”. The report identified that financial planning improvements were required by public bodies.



46. In the [local government overview](#) report in March 2016, Audit Scotland set out some key questions. These include the following:



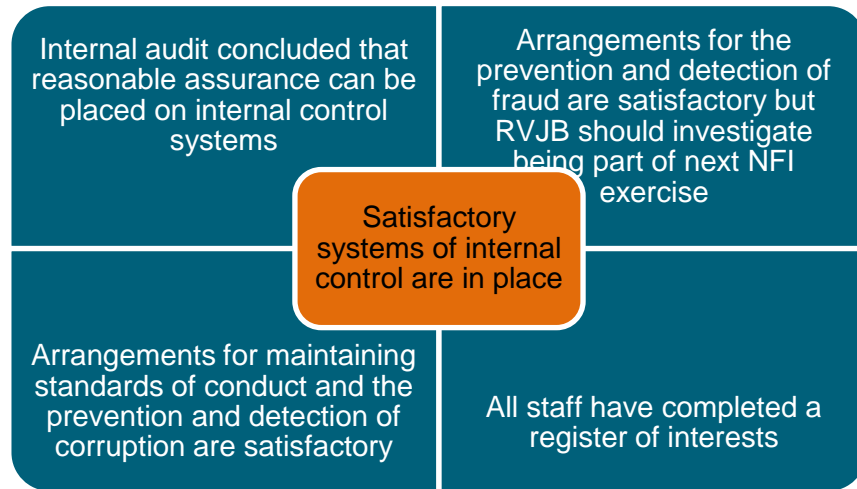
- Do we have a long-term financial strategy covering at least five years that accounts for future pressures?
 - Is our five-year strategy supported by detailed financial plans covering a minimum period of three years?
 - How well do our financial plans set out the implications of different levels of income spending and activity?
 - How does our financial strategy link to our vision for the future?
47. Local Government bodies continue to have their overall budgets reduced each year which will likely have a consequential impact on the level of requisition funding available to the Joint Board over the medium term. At present, only the local government grant settlement position for 2016/17 has been announced by the Scottish Government, meaning that RVJB has published a budget for financial year 2016/17 only.
 48. RVJB anticipates it will need to identify further recurrent savings from 2017/18 and the Assessor will undertake a further review of the service in order to identify saving options.
 49. We recommend that in the absence of longer term financial settlements, scenario planning is carried out to assess the savings options being identified.

Appendix IV – action plan point 2

Conclusion on financial sustainability

50. RVJB has a strong level of reserves and has affordable short term financial plans in place through using the reserves. Overall we conclude that the financial position is sustainable in the short and medium term although reductions in requisition income, at the same time that Cabinet Office funding is reducing, will place a strain on the RVJB's capacity to deliver services at the current levels.

Governance and transparency



51. Members and management of the RVJB are responsible for establishing arrangements to ensure that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and for monitoring the adequacy and effectiveness of these arrangements. We concluded that the RVJB has effective overarching and supporting governance arrangements which provide an appropriate framework for organisational decision-making.
52. Citizens should be able to hold the RVJB to account about the services it provides. Transparency means that citizens have access

to understandable, relevant and timely information about how the council is taking decisions and how it is using its resources. Overall we concluded that the RVJB is open and transparent although there are some areas where practices could be improved.

Internal control

53. While auditors concentrate on significant systems and key controls in support of the opinion on the financial statements, their wider responsibilities require them to consider the financial systems and controls of audited bodies as a whole. However, the extent of this work should also be informed by their assessment of risk and the activities of internal audit.
54. With Renfrewshire Council (the council) being the host for RVJB, all financial transactions of RVJB are processed through the financial systems of the council and are subject to the same controls and scrutiny of the council including regular reviews of internal audit
55. Internal audit issued two reports for 2015/16: an assurance audit on the valuation system, which concluded that control environment was operating satisfactorily and the Annual Report 2015/16 where reasonable assurance was provided on the adequacy and effectiveness of RVJB's internal control, risk management and governance arrangements.

Internal audit

56. Internal audit provides members and management of the RVJB with independent assurance on risk management, internal control and

corporate governance processes. We are required by international auditing standards to make an assessment of internal audit to determine the extent to which we can place reliance on its work. To avoid duplication, we place reliance on internal audit work where possible.

57. Our review of internal audit concluded that they operate in accordance with the Public Sector Internal Audit Standards and have sound documentation standards and reporting procedures in place. Per our audit plan, in respect of our wider governance and performance audit work we reviewed the findings of internal audit's annual report and review of the valuation system, as noted above.

Public Service Network and ICT

58. RVJB achieved PSN accreditation in October 2014 and successfully renewed this for a second year in October 2015.
59. Our 2013/14 Annual Report on the audit noted that internal audit had reported that areas of the disaster recovery arrangements needed to be improved upon as a matter of urgency to ensure the organisation can continue to provide their services during a period of interruption. The senior management team has agreed a new disaster recovery plan under PSN guidelines and are partnering with Renfrewshire Council on putting in place final arrangements.

Appendix IV – action plan point 3 and 4

Risk Management

60. A review of the risk management strategy was presented to members in May 2016 and risk register was presented to the Joint Board in August 2016.

Arrangements for the prevention and detection of fraud

61. In our Annual Audit Plan we highlighted the responsibility audited bodies have for establishing arrangements to prevent and detect fraud and other irregularities. In our opinion the overall arrangements for the prevention of fraud within RVJB are satisfactory, but could be improved by participating in the National Fraud Initiative (NFI). No system can eliminate the risk of fraud entirely.
62. RVJB is not part of this year's NFI; a counter-fraud exercise led by Audit Scotland, overseen by the Cabinet Office for the UK as a whole. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify circumstances (matches) that might suggest the existence of fraud or error. These exercises are undertaken every two years. <http://www.audit-scotland.gov.uk/work/nfi.phpf>.
63. We recommend RVJB liaise with Renfrewshire Council Internal Audit (who manage the process for Renfrewshire Council) and consider being involved in the next exercise in 2016/17.

Appendix IV – action plan point 5

Arrangements for maintaining standards of conduct and the prevention and detection of corruption

64. The arrangements for the prevention and detection of corruption in RVJB are satisfactory. During 2015/16 all members of staff completed a register of interest and these are available on request from RVJB. We are not aware of any specific issues that we need to record in this report.

Transparency

65. When assessing transparency we consider questions such as:
- Financial statements; clarity, presentation, clutter etc.
 - Budget monitoring reports.
 - Performance reporting see PABV assessments of councils.
 - Excessive use of “exclusion of press and public” under 1973 Act.
 - Are registers of interest available on the website.
 - Website.
 - Have we encountered any evidence to suggest that information is routinely and unjustifiably withheld from public scrutiny.
66. Meetings of RVJB are held in public and papers available from the Renfrewshire Council website. RVJB website also publishes information on corporate policies, targets and performance. We concluded that the financial statements are clear and actual

expenditure and income clearly linked to budgeted figures, as described in the management commentary.

Best Value and performance

67. Best value is a key factor to consider when planning policies, programmes and projects and when taking any spending decisions. The RVJB should have systems and processes to ensure that it can demonstrate that it is delivering best value by assessing and reporting on the economy, efficiency, effectiveness and equality in service provision.

Performance management and corporate plan

68. Over the past five years RVJB has been working on significant projects including individual electoral registration and working towards the independence referendum in 2014. Access to IER funding ended on 31 December 2015 and the challenge is now to move the IER project into standard part of RVJB’s work.
69. 2015 was the final year of the five year Service Statement 2010/2015 by the Assessor and Electoral Registration Officer.
70. As noted in our annual audit plan, a new service plan is being prepared and will be published later in the year.

Overview of performance targets in 2015/16

71. One of key tasks RVJB has been involved in during 2015/16 is in the preparation of the 2017 Non Domestic Rating Revaluation which

comes into effect on the 1st April 2017. Valuations have been carried out for the majority of all retail, office and industrial subjects throughout each of the three local authority areas, which equates to 65% of the total valuation roll. Focus over the coming months will be to complete valuations of the remaining properties.

72. RVJB maintains an up to date valuation list by adding new houses and the deletion of demolished houses. The Table below shows the performance figures for 2014/15.

Exhibit 3: Time taken to register new houses

Time taken to enter new houses into the Valuation (Council Tax) List – Period 1st April 2015 to 31st March 2016				
Council Area	No. Added	Within 3 months	Between 3 & 6 months	More than 6 months
Renfrewshire	757	735	10	12
East Renfrewshire	261	256	5	0
Inverclyde	225	221	4	0
Total	1243	1212	19	12

73. The performance exceeded targets of 95% within three months but the target of 99.5% within 6 months was not achieved as the final performance was 98.47%. The 1,243 houses added in the year was higher than previous years figures (947 in 2014/15, 1,019 in

2013/14) and the average number of days taken to add a house to the valuation list was 26.68 days, within the 38 day target.

National performance audit reports

74. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2015/16, a number of reports were issued specifically covering local government topics. These are outlined in [appendix III](#). The Depute Assessor and Divisional Assessor attend the Scottish Assessors Association Governance Committee where reports of interest (including relevant Audit Scotland reports) are discussed and information disseminated. Any key risks are then shared with the Joint Board by the Depute Assessor.

Outlook

75. Focus over the coming months will be carrying out valuations on the remaining category of subjects working toward the goal of having all properties revalued by the 30 September 2016.
76. On top of this, good financial management will continue to be a priority in 2016/17. Requisition levels have decreased by 3% for 2016/17, a reduction of £0.069m from previous years.

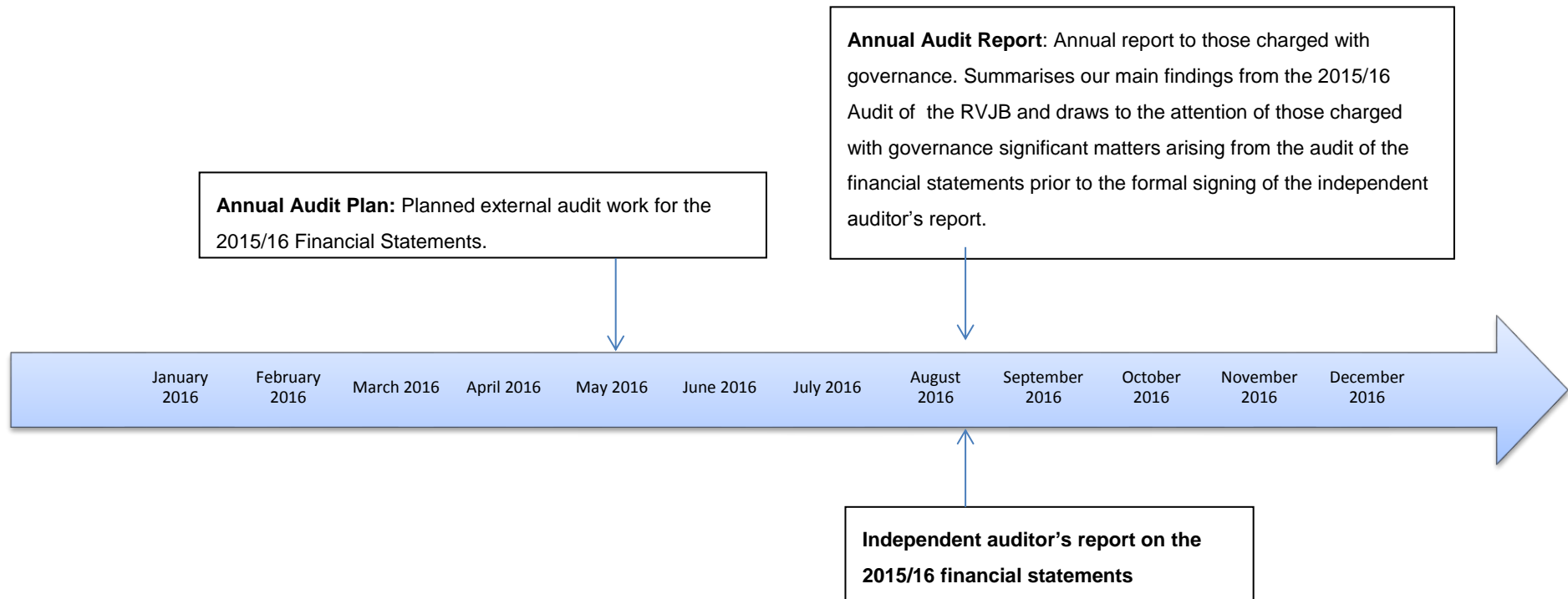
Appendix I: Significant audit risks

The table below sets out the financial statement audit risks we identified during the course of the audit and how we addressed each risk in arriving at our opinion on the financial statements.

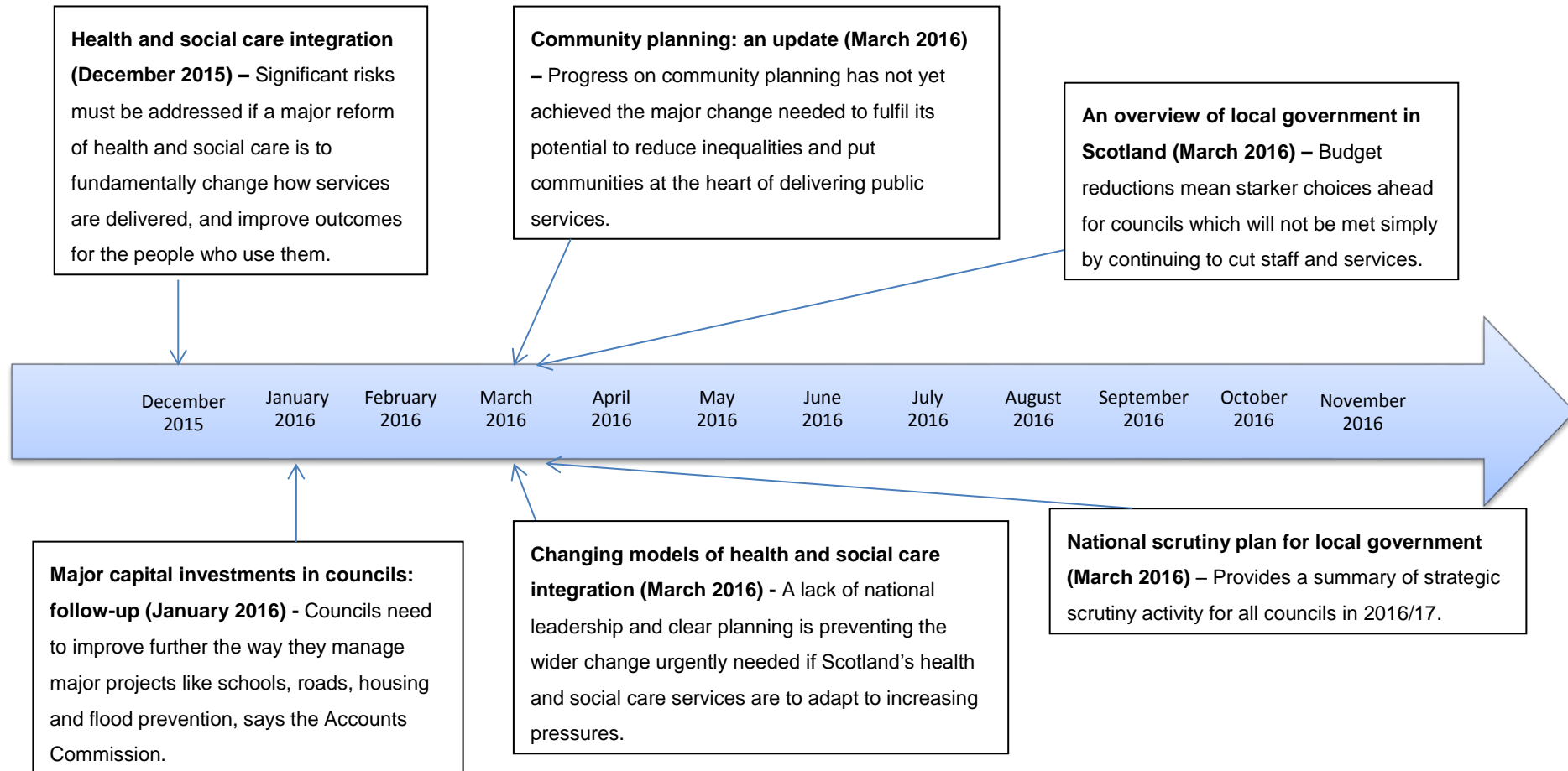
Audit Risk	Assurance procedure	Results and conclusions
Risk of material misstatement		
<p>Risk of management override of control ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit.</p> <p>Risk Management's ability to manipulate accounting records and prepare fraudulent or biased financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> • Detailed testing of journal entries. • Review of accounting estimates for bias. • Evaluating significant transactions that are outside the normal course of business. 	<ul style="list-style-type: none"> • No issues have arisen as part of our audit work that would indicate management override of controls affecting the outturn or year-end position. • Testing on exit packages satisfactory.
Risks identified from the auditor's wider responsibility under the Code of Audit Practice		
<p>Corporate Plan There is no formal updated corporate plan which has been provided to members; the previous plan being Future business challenges 2012-2015.</p> <p>Risk</p>	<ul style="list-style-type: none"> • Review calendar of governance requirements. • Review corporate plan when issued and provide an update in the annual report on the audit. 	<ul style="list-style-type: none"> • The service plan is currently being reviewed.

Audit Risk	Assurance procedure	Results and conclusions
<p>Without a plan, there is a risk there is no clear statement of priorities for services and improvement, nor clear information about how RVJB will address significant issues in the context of other priorities and challenges.</p>		
<p>Financial Sustainability</p> <p>Financial reports to members explain that with uncertainty over future funding settlements, it is still forecast that savings will need to be made into 2017/18; income will be reducing as requisitions decrease but there are increasing pressures on costs.</p> <p>Risk</p> <p>A reduction in requisition budgets could mean that RVJB is unable to provide its current level of service in future years.</p>	<ul style="list-style-type: none"> • Review of financial monitoring reports during the year and comment on the financial position within our annual report on the audit. 	<ul style="list-style-type: none"> • RVJB has a strong level of reserves and has affordable short term financial plans in place through using the reserves. Overall we conclude that the financial position is sustainable in the short and medium term although reductions in requisition income, at the same time that Cabinet Office funding is reducing, will place a strain on the RVJB's capacity to deliver services at the current levels.

Appendix II: Summary of local audit reports 2015/16



Appendix III: Summary of Audit Scotland national reports 2015/16



Appendix IV: Action plan

No.	Para ref.	Issue/risk/Recommendation	Management action/response	Responsible officer/Target date
Actions from 2015/16				
1.	35	<p>Budgets for Other income</p> <p>In recent years Other income (ie non-requisition income) has been significantly different from that budgeted.</p> <p>There is a risk that the budgets are not reflecting all the different work and level of activity at RVJB and budgets not being clear to members.</p> <p>Recommendation</p> <p>We recommend the budget process is reviewed to better identify all anticipated third party funding for projects.</p>	<p>Budget monitoring reports are taken to each meeting of the Joint Board and contain updates on non-requisition income.</p> <p>Budget process for 2017/18 will review process for identifying and estimating non-requisition income.</p>	<p>Treasurer and Assessor</p> <p>31 December 2016</p>
2.	49	<p>Medium-term financial planning</p> <p>Only budget details for 2016/17 have been published. No medium or long term plans have been provided to members with options or scenarios on savings or service options.</p> <p>There is a risk there is insufficient information to inform decision-making.</p> <p>Recommendation</p> <p>We recommend that scenario planning is carried out and key messages from that planning presented to members.</p>	<p>We considered there was too much uncertainty for future funding to set indicative budgets for 2017/18 onwards.</p> <p>Implications of funding changes are discussed between senior officers and finance team.</p> <p>We will review longer-term plan once 2017/18 settlement becomes available.</p>	<p>Treasurer and Assessor</p> <p>31 December 2016</p>

No.	Para ref.	Issue/risk/Recommendation	Management action/response	Responsible officer/Target date
Update on actions from 2014/15 Annual Report on the audit				
3.	-	<p>PSN connection</p> <p>RVJB were PSN accredited in October 2014 and completed a separate connection. The final stage is for Renfrewshire Council to separate RVJB from the council PSN connection but this work has to take place.</p> <p>There is a risk RVJB incur additional costs and confusion over who has responsibility over security of connections.</p> <p>Recommendation RVJB work with Renfrewshire Council officers and agree a timetable for RVJB to be disconnected from council PSN.</p>	<p>RVJB was re-accredited in 2015/16.</p> <p>Renfrewshire Council is responsible for PSN connection.</p> <p>The Depute Assessor is investigating alternative means of connections for PSN. RVJB has its own connection, which has been tested and has a fall-back position to the Department of Work and Pensions.</p>	<p>Depute Assessor</p> <p>31 July 2017</p>

No.	Para ref.	Issue/risk/Recommendation	Management action/response	Responsible officer/Target date
4.	59	<p>Disaster Recovery</p> <p>RVJB achieved PSN accreditation in October 2014 and recently completed a separate connection. The final stage is for Renfrewshire Council to separate RVJB from the council PSN connection but this work has still to take place.</p> <p>Risk</p> <p>There is a risk that RVJB would not be able to provide services during a period of interruption, or quickly get services up and running after a period of interruption.</p> <p>Recommendation</p> <p>Implementation plans are prepared which include timetable for testing disaster recovery plans.</p>	<p>RVJB back-up is with Renfrewshire Council.</p> <p>Plans are being formalised for sharing Renfrewshire Council's proposed cloud-based site.</p> <p>Business continuity report was presented to the Joint Board in August 2016.</p>	<p>Depute Assessor</p> <p>30 May 2017</p>
5.	63	<p>National Fraud Initiative</p> <p>RVJB has not been included in the NFI counter fraud exercise in recent years and there is a risk that fraud cases are being missed.</p> <p>Recommendation</p> <p>We recommend that senior officers liaise with Renfrewshire Council internal audit to put in place arrangements to be part of the next exercise.</p>	<p>Assessor will liaise with internal audit to plan for RVJB to be included in the next NFI exercise.</p>	<p>Assessor</p> <p>Chief Internal Auditor</p> <p>31 October 2016</p>

No.	Para ref.	Issue/risk/Recommendation	Management action/response	Responsible officer/Target date
6.	64	<p>Register of interests</p> <p>The register of interests is not available on-line.</p> <p>Risk</p> <p>There is a risk that RVJB is not demonstrating that there are no conflicts of interests in its decision-making.</p> <p>Recommendation</p> <p>The register of interests is put onto RVJB website.</p>	Register of interest is now in place for all staff and available on request.	-
7.	74	<p>Audit Scotland National Reports</p> <p>There is no formal process in place to review Audit Scotland national reports pertinent to RVJB.</p> <p>There is a risk that RVJB miss out on lessons learned from other audits across local government.</p> <p>Recommendation</p> <p>Audit Scotland reports are reviewed by officers and summary information or lessons learned disseminated to members.</p>	Depute Assessor and Divisional Assessor attend the Scottish Assessors Association Governance Committee where reports of interest (including relevant Audit Scotland reports) are discussed and information disseminated. Any key risks are then shared with the Joint Board by the Depute Assessor.	-