

Report to those charged with governance on the 2012/13 audit

Audited Body:	Dunbartonshire and Argyll & Bute Valuation Joint Board
Committee:	Finance Sub-Committee
Date:	25 September 2013

Background

1. International Standard on Auditing (UK and Ireland) 260 (ISA 260) requires auditors to report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action.
2. This report sets out for the Dunbartonshire and Argyll & Bute Valuation Joint Board's (the Board) consideration the matters arising from the audit of the financial statements for 2012/13 that require to be reported under ISA 260. We are drawing to your attention those matters we think are worthy of note, so that you can consider them before the financial statements are approved and certified. It should be noted that the audit opinion reflects recent discussions with management and is subject to satisfactory conclusion of any outstanding matters.
3. We also present for your consideration our draft annual report on the 2012/13 audit which identifies significant findings from the financial statements audit. This report is attached at Appendix C.

Status of the work

4. Our work on the financial statements is now complete. The more significant issues arising were discussed with the Treasurer at a meeting on 28 August 2013.

Fraud

5. In presenting this report to the Principal Officer of the Board, we seek confirmation from those charged with governance of any instances of fraud that have arisen that should be brought to our attention. A specific confirmation from management in relation to fraud has been included in the draft letter of representation.

Audit opinion and representations

6. Subject to the satisfactory conclusion of any outstanding matters and receipt of a revised set of financial statements for final review, we anticipate being able to issue an unqualified auditor's report on 25 September (the proposed report is attached at Appendix A). There are no anticipated modifications to the audit report.
7. We are required to report to those charged with governance all unadjusted misstatements which we have identified during the course of our audit, other than those of a trivial nature which we regard as errors less than £1,000.

8. A small number of minor presentational adjustments were identified within the financial statements during the course of our audit. These were discussed with senior finance officers who agreed to amend the unaudited financial statements. One monetary adjustment was made during the course of the audit with the agreement of senior finance officers. This was made following a post balance sheet date decision by the Board to return reserves balances to the constituent authorities. The monetary adjustment has had the effect of decreasing income by £293,315 but no effect on expenditure. Net assets as recorded in the balance sheet have decreased by £293,315.
9. We therefore have no unadjusted misstatements to bring to your attention.
10. As part of the completion of our audit we seek written assurances from the Accountable Officer on aspects of the financial statements and judgements and estimates made. A draft letter of representation under ISA580 is attached at Appendix B. This should be signed and returned by the Accountable Officer with the signed financial statements prior to the independent auditor's opinion being certified.

Significant findings

11. During the course of the audit we have identified a number of issues regarding the provision of services from West Dunbartonshire Council, the work of Internal Audit, budget setting arrangements and forthcoming Council Tax banding appeals. The 'Action Plan' section of the attached annual audit report on the 2012/13 audit (Appendix A) sets out the issues we regard as those to be reported.
12. Subject to satisfactory conclusion of these outstanding matters we will issue our audit opinion along with the signed financial statements and the annual audit report. The attached draft annual report on the 2012/13 audit (Appendix A) will be updated to reflect the impact of any unresolved outstanding matters prior to issue in final form e.g. audit opinion.

APPENDIX A: Proposed Independent Auditor's Report

Independent auditor's report to the members of Dunbartonshire and Argyll & Bute Valuation Joint Board and the Accounts Commission for Scotland

I certify that I have audited the financial statements of Dunbartonshire and Argyll & Bute Valuation Joint Board for the year ended 31 March 2013 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, and Cash-Flow Statements, the related notes and the Statement of Accounting Policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 (the 2012/13 Code).

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Treasurer and auditor

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves 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. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer; and the overall presentation of the financial statements. In addition, I read all financial and non-financial information to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view in accordance with applicable law and the 2012/13 Code of the state of the affairs of the body as at 31 March 2013 and of the income and expenditure of the body for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2012/13 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003.

Opinion on other prescribed matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 1985; and
- the information given in the Explanatory Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Statement on the System of Internal Financial Control does not comply with the 2012/13 Code; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Elaine Boyd (FCCA)

Senior Audit Manager

Audit Scotland

The Athenaeum Building

8 Nelson Mandela Place

Glasgow

G2 1BT

25 September 2013

Appendix B: ISA 580 - Letter of Representation

Elaine Boyd

Senior Audit Manager

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G2 1BT

Dear Elaine

2012/13 FINANCIAL STATEMENTS – DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

This representation letter is provided in connection with your audit of the financial statements of Dunbartonshire and Argyll & Bute Joint Board for the year ended 31 March 2013 for the purpose of expressing an opinion as to whether the financial statements present a true and fair view of the financial position of the Board as at 31 March 2013 and its income and expenditure for the year then ended.

I confirm to the best of my knowledge and belief, and having made appropriate enquiries of senior officers, the following representations:

Legality of Financial Transactions

The financial transactions of Dunbartonshire and Argyll & Bute Valuation Joint Board are in accordance with the relevant legislation and regulations governing it. All known or possible non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed to you, together with the actual or contingent consequences which may arise.

Accounting Policies

All material accounting policies adopted are as shown in the Statement of Accounting Policies. The continuing appropriateness of the Board's accounting policies and estimation techniques will be reviewed on a regular basis, having regard to the concepts and qualitative

characteristics set out in the Code of Practice on Local Authority Accounting in the United Kingdom (“the Code”).

The accounts of the Dunbartonshire and Argyll & Bute Valuation Joint Board have been prepared on a going concern basis. I have assessed the partnership’s ability to carry on as a going concern and it has been considered appropriate to adopt this basis for the preparation of these financial statements.

Assets

On realisation in the ordinary course of the Board's business the current assets in the balance sheet are expected, in my opinion, to produce at least the amounts at which they are stated.

Liabilities

All liabilities have been provided for in the books of account.

Contingent Liabilities

There are no significant contingent liabilities arising either under formal agreements or through informal undertakings requiring disclosure in the accounts.

Provisions

There are no material liabilities which have resulted, or may be expected to result, by legal action or otherwise, from events which had occurred by the balance sheet date, and of which Dunbartonshire and Argyll & Bute Valuation Joint Board could reasonably be expected to be aware. As a result, no provision is included in the accounts.

Commitments

Dunbartonshire and Argyll & Bute Valuation Joint Board has no commitments under capital contracts or any other significant commitments or obligations which might adversely affect the partnership, which have not been disclosed.

Other Matters

The results for the period were not materially affected by:

- (i) transactions of a sort not usually undertaken by the board
- (ii) circumstances of an exceptional or non-recurrent nature
- (iii) charges or credits relating to prior periods
- (iv) any change in the basis of accounting.

All financial statement misstatements identified in the course of the audit have been corrected.

Corporate Governance

I acknowledge, as the officer with responsibility for the proper administration of the Dunbartonshire and Argyll & Bute Valuation Joint Board’s financial affairs under section 95 of

the Local Government (Scotland) Act 1973, my responsibility for the systems for internal control and that the disclosures I have made are in accordance with guidance on statements on the system of internal control.

I acknowledge that it is the responsibility of Dunbartonshire and Argyll & Bute Valuation Joint Board to prevent and detect fraud and other irregularity. I have considered the risk that the financial statements may be materially misstated as a result of fraud. I have disclosed to the auditor the results of this review, including any allegations of fraud or suspected fraud affecting the financial statements. There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements.

General

I acknowledge my responsibility, and that of the Dunbartonshire and Argyll & Bute Valuation Joint Board, for the financial statements. All the accounting records requested have been made available to you for the purposes of your audit. All material agreements and transactions undertaken by board have been properly reflected in the financial statements. All other records and information have been made available to you, including minutes of all board and other meetings.

Disclosure has been made in the financial statements of all matters necessary for them to present a true and fair view of the transactions and state of affairs of the Board for the year ended 31 March 2013.

Events Subsequent to the Date of the Balance Sheet

There has been one material event since the date of the balance sheet which required revision of the figures in the financial statements or notes thereto including contingent assets and liabilities. On 14 June 2013 the Board approved the return of £293,315 of reserves to constituent authorities which resulted in an amendment to the Movement in Reserves Statement, the Balance Sheet and subsequent notes to the financial statements.

Since the date of the balance sheet no further events or transactions have occurred which, though properly excluded from the accounts, are of such importance that they should be brought to your notice.

Yours sincerely

Stephen West, Treasurer

Appendix C: Annual Report on the 2012/13 Audit

Dunbartonshire and Argyll & Bute Valuation Joint Board

Annual Report on the 2012/13 Audit



September 2013

Key messages

Financial statements

In 2012/13, we audited the financial statements and looked at aspects of governance within Dunbartonshire and Argyll & Bute Valuation Joint Board (the Board). This section of the report sets out our main findings.

Overall, we found the financial stewardship of the Board during the year to be satisfactory.

The main conclusions and outcomes from the audit are highlighted below:

- An unqualified opinion has been issued on the financial statements for 2012/13.
- Final accounts preparation procedures and working papers were of a good standard and this enabled the audit to progress smoothly.
- The Board has a sound corporate governance framework.

Financial performance and position

The Board had budgeted to spend £2.776 million in 2012/13 with this being funded through constituent contributions of £2.719 million and £0.057 million of cumulative balance brought forward from prior years. The outturn for 2012/13 was net expenditure of £2.563 million resulting in an in year favourable variance of £0.137 million. However following a decision made on 14 June 2013 by the Board, £0.293m of reserves balances were returned to constituent authorities which resulted in a cumulative deficit of £0.137 million being carried forward into 2013/14.

The Board's net liabilities have increased by £1.155 million in the 2012/13 financial year to £2.513 million due predominantly to a £0.987 million rise in the Board's net pension liability.

Governance

West Dunbartonshire Council (WDC) provides internal audit services to the Board. The Statement on the System of Internal Financial Control (SSIFC) for the year 2012/13, signed by the Treasurer and the Assessor & Electoral Registration Officer (the Assessor), concluded that the Board has in place a sound system of internal financial control with no identified material weaknesses.

The support services provided by WDC are subject to the scrutiny of WDC's own Internal Audit section which has arrangements in place to test the main financial systems. However these arrangements do not go as far as ensuring that transactions involving the Board will be audited, leaving a risk that certain Board activities may not be tested to ensure key controls are in place.

Performance

Although the Board narrowly missed its target to issue Non-Domestic rates valuation notices within three months of the date that amendments to the valuation roll become effective we note that it exceeded the target for a similar measure in relation to Council Tax, met the statutory deadline to

publish the electoral register and has maintained high levels of customer satisfaction. The Board has adopted a sound methodology for performance reporting which encourages continuous improvement through setting higher standards year on year.

It has been recognised that the Council Tax bandings of approximately 1,000 domestic properties within East Dunbartonshire require reassessment to ascertain if their current 'E' band should be reduced to a 'D' band. Based on historic appeals, it is considered that approximately 70% may be adjusted. The Board are putting in place measures to resource the additional workload with a focus on completing the majority of reassessments prior to the next council tax billing run in February 2014. However there is a risk that the Board may find it difficult to maintain current performance levels.

Outlook

Looking ahead, it is clear that the outlook for public spending for the period to 2014/15 remains very challenging. The Board will continue to face financial constraints which may increase the pressure on them to deliver their statutory duties and meet their established performance targets.

Introduction

1. This report is the summary of our findings arising from the 2012/13 audit of the Board. The nature and scope of the audit were outlined in the Audit Plan presented to management in January 2013, and follow the requirements of the Code of Audit Practice prepared by Audit Scotland applying from accounting periods on or after 1 April 2012. The purpose of the annual audit report is to summarise the auditor's opinions (i.e. on the financial statements) and conclusions, and to report any significant issues arising.
2. The section of the report entitled 'Action Plan' sets out the higher level risks we have identified from the audit. Officers have considered the issues and agreed to take the specific steps in the column headed "planned management action". We do not expect all risks to be eliminated or even minimised. What we expect is that the Board understands its risks and has arrangements in place to manage these risks. Members should ensure that they are satisfied with the proposed management action and have a mechanism in place to assess progress.
3. The members and officers of the Board are responsible for preparing financial statements that show a true and fair view and for implementing appropriate internal control systems. The auditor is responsible for auditing and expressing an opinion on the financial statements. Weaknesses or risks identified by auditors are only those which have come to their attention during their normal audit work, and may not be all that exist. Communication by auditors of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Financial statements

4. Audited bodies' financial statements are an essential part of accounting for their stewardship of the resources made available to them and their performance in the use of those resources.
5. Auditors are required to audit financial statements in accordance with the timescales set by Audit Scotland, which may be shorter than statutory requirements, and give an opinion on:
 - whether they give a true and fair view of the financial position of audited bodies and their expenditure and income
 - whether they have been properly prepared in accordance with relevant legislation, the applicable accounting framework and other reporting requirements
6. Auditors review and report on, as appropriate, other information published with the financial statements, including the assessor's report, treasurer's report, statement on the system of internal financial control and the remuneration report. This section summarises the results of our audit on the financial statements.

Audit opinion

7. We have given an unqualified opinion on the financial statements of the Board for 2012/13, concluding that the financial statements:
 - give a true and fair view, in accordance with relevant legal and regulatory requirements and the 2012/13 Code, of the financial position of the Board as at 31 March 2013 and its income and expenditure for the year then ended
 - have been properly prepared in accordance with the Local Government (Scotland) Act 1973.

Legality

8. Through our planned audit work we consider the legality of the Board's financial transactions. In addition the Treasurer has confirmed that, to the best of his knowledge and belief the financial transactions of the Board were in accordance with relevant legislation and regulations. There are no legality issues arising from our audit which require to be brought to members' attention.

Going concern

9. The Balance Sheet shows that the board currently has a net liability of £2.513m (increased by £1.155m) net liability in 2012/13. This increase is almost entirely due to a £0.987m increase in the net pension liability. A material net liability can highlight a potential going concern issue however we do recognise that the appointed actuary is of the view that the asset holdings of the Strathclyde Pension Scheme and the contributions from employees and employers, together with planned increases in contributions, provide sufficient security

over future liabilities. In light of these factors, it is reasonable that the accounts are prepared on a going concern basis.

Statement of the system of internal financial control

10. We are satisfied with the disclosures made in the SSIFC and the adequacy of the process put in place by the Board to obtain the necessary assurances. The statement reports that the Board has in place a sound system of internal financial control which is in line with findings from our tests of controls and also with the findings of internal audit. Our audit work on the Board resulted in findings consistent with that opinion. WDC have identified areas for improvement in the Council's Annual Governance Statement, we do not consider these weaknesses to have a material impact on the fairness of the financial statements, and they do not affect our overall audit opinion.

Remuneration report

11. We are satisfied that the remuneration report has been prepared in accordance with the Local Authority Accounts (Scotland) Act 1985 and Scottish Government finance circular 8/2011. The disclosures within the 2012/13 financial statements include all eligible remuneration for the relevant Board officers.

Accounting issues

12. Local authorities in Scotland are required to follow the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 (the 2012 Code). We are satisfied that the Board prepared the 2012/13 financial statements in accordance with the 2012 Code.

Accounts preparation & submission

13. The Board's financial statements were submitted to the Controller of Audit by the deadline of 30 June 2013.
14. Final accounts preparation procedures and working papers were of a good standard with the audit resulting in mainly presentational and other minor changes. The most significant adjustment was made following a decision made on 14 June 2013 by the Board to approve the return of £0.293m of reserves to constituent authorities that resulted in an amendment to the Movement in Reserves Statement, the Balance Sheet and subsequent notes to the financial statements.
15. All errors identified during the audit have been corrected and therefore there are no unadjusted misstatements to bring to your attention.

Financial position

16. Audited bodies are responsible for conducting their affairs and for putting in place proper arrangements to ensure that their financial position is soundly based.
17. Auditors consider whether audited bodies have established adequate arrangements and examine:
 - financial performance in the period under audit
 - compliance with any statutory financial requirements and financial targets
 - ability to meet known or contingent, statutory and other financial obligations
 - responses to developments which may have an impact on the financial position
 - financial plans for future periods.
18. These are key areas in the current economic circumstances. This section summarises the financial position and outlook for the Board.

Financial results

Budgetary control

19. In 2012/13 the Board budgeted to incur a deficit on the provision of services of £56,690. The actual deficit as presented in the Treasurer's Foreword in the financial statements as £136,608. This variance is largely due to a decision of the Board to Constituent Contributions rather than retain these balances in reserves. As the budget is prepared without these adjustments it is appropriate for the analysis in the foreword to be presented in this way. The deficit of £136,608 compares to a budgeted break-even which was constructed using £56,690 of reserves balances with the overall underspend against budget being £213,397. This has arisen largely due to employee costs being lower than anticipated due to vacancies not being filled and reductions in costs relating to property, travel and supplies & services.

Financial position

20. As detailed at paragraph 9, the Board's balance sheet at 31 March 2013 reflected net liabilities of £2.512m, a deterioration of £1.155m over the previous year mainly due to the movement in the pension liability during 2012/13.
21. The Members of the Board approved a new reserves policy which now provides the Board with the authority to hold general fund reserves and carry forward revenue balances which are disclosed in the balance sheet as a reserve. Previously, this was recorded on the Balance Sheet as a creditor due to the three constituent authorities. Due to the change in policy, the Board's Financial Regulations should be updated to include the new reserves policy however as at the date of reporting, no update has occurred though assurances are in place to suggest that this will take place.

22. In managing previous years spend against budget substantial reserves have been accrued by the Board, and for the first time a refund has been issued to the three constituent local authorities. In generating future budgets management and the Board should consider the appropriate level of budget setting, including consideration of the inclusion of vacant posts, for example, to ensure that contributions made to the Board by the constituent authorities are set at appropriate levels

Action Plan 1

Governance and accountability

23. Corporate governance is concerned with structures and processes for decision-making, accountability, control and behaviours at the upper levels of the organisation. Based on work carried out by ourselves during the risk assessment stage of our audit, we acknowledge that the Board has in place a number of plans, policies and procedures (such as the 3-year service plan, risk register, financial regulations and procedural standing orders).

Statement on the systems of internal financial control (SSIFC)

24. We are satisfied with the disclosures made in the statement on the SSIFC and the adequacy of the process put in place by the Board to obtain the necessary assurances. Although not currently a mandatory requirement within Scotland a number of Scottish local authorities produce an annual governance statement rather than an SSIFC. The annual governance statement is a more detailed and comprehensive statement than the SSIFC. West Dunbartonshire Council prepares an annual governance statement for their financial statements, and as the Board uses the financial systems of the Council, progression to an annual governance statement would ensure a consistent approach.

Relationship with host authority

25. WDC is the host authority for the Board, and as such provides various support services (such as finance, human resources, Information Communication Technology (ICT), legal and administration). WDC in turn charges the Board for the provision of these services. Some progress has been made to draft a Service Level Agreement (SLA) between the Board and WDC in relation to the provision of ICT support however this appears to have stalled. A finalised SLA is currently not in place to clarify and support service provision.

Action Plan 2

Internal control

26. Internal audit plays a key role in the Board's governance arrangements, providing an independent appraisal service to management by reviewing and evaluating the effectiveness of the internal control system.
27. In 2012/13, Internal audit reviewed WDC's payroll and main accounting systems (which are both used by or have on impact for the Board) and found these to satisfactory.
28. We have also reviewed WDC's main financial systems as part of our annual work. In our governance report issued to the Executive Director of Corporate Services in May 2013 we concluded that that although there were important areas where improvements could be made there are adequate controls operating over the main financial systems.

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29. The support services provided by WDC are subject to the scrutiny of WDC's own Internal Audit. The Internal Audit section have arrangements in place, through the provision of an audit remit, to ensure their testing covers transactions involving WDC and other bodies such as West Dunbartonshire Leisure Trust. However these arrangements do not go as far as ensuring that those transactions involving the Board will be audited. This omission leaves a risk that certain Board activities may not be tested to ensure key controls are in place. In order to achieve all of the required assurance levels, Audit Scotland have performed relevant audit work to cover the financial operations of the Board.

Action Plan 3

Key staffing changes

30. In September 2013 the Depute Assessor based in the Campbeltown office retired from his duties with the Board. The Board have successfully recruited to fill this vacancy with the new Depute Assessor to be based in Clydebank. This increases the risk of a reduction in managerial capacity to oversee the operations of the Campbeltown office.

Performance

31. The Assessor's report in the Board's 2012/13 annual report provides a comprehensive and balanced review of the Board's performance of the year ending 31 March 2013. Key performance indicators (KPI) have been established to facilitate performance monitoring with suitably challenging performance targets established. Balanced performance reporting is a cornerstone of public performance reporting and is a key element of public accountability. We welcome the Board's approach to performance reporting.
32. Due to the Assessor's report being extensive and publicly available we have limited the information in this section of the report to key issues. Further detail can be obtained by reading the Assessor's report which will be available on the Board's website (<http://www.dab-vjb.gov.uk/>).
33. In particular the Assessor notes that the Board:
 - Exceeded its target of 93% to issue Council Tax banding notices within three months of the date that amendments to the valuation list become effective.
 - Missed its target of 80% to issue Non-Domestic Rates valuation notices within three months of the date that amendments to the valuation roll become effective. Performance varied with Argyll & Bute and West Dunbartonshire achieving 78% and East Dunbartonshire 69%.
 - Completed the annual canvass on schedule and met the statutory deadline to publish the electoral register by 1 December 2012.
 - Maintained high levels of customer satisfaction as evidenced through their annual customer satisfaction survey.

Council tax banding appeals

34. In September 2013 it was recognised that the council tax bands of approximately 1,000 domestic properties within East Dunbartonshire required reassessment to ascertain if their current 'E' band should be reduced to a 'D' band. It is not currently possible to more accurately quantify the number of properties affected, or the number which will need their bands adjusted however, based on historic appeals, it is considered that approximately 70% may be adjusted. The Board are putting in place measures to resource the additional workload with a focus on completing the majority of reassessments prior to the next council tax billing run in February 2014. However it is recognised that it won't be possible to complete them all by this date. Whilst the reduction in number of Non-Domestic Rates appeals will help alleviate the impact of this additional workload there is still a risk that the Board may find it difficult to maintain current performance levels. There may be a further financial consideration should there be a need to apply yet more resource to the issue.

Action Plan 4

Non-Domestic Rates running roll appeals

35. In our Annual Report on the 2011/12 Audit, concerns were raised in relation to a material increase in the number of running roll appeals received in 2010/11 and 2011/12 and its impact on the workload of staff although the Assessor was confident that these workloads were manageable. The Assessor provided assurances on the current position stating that by May 2013 there were only 489 outstanding appeals and that he was confident that the remainder of these will be dealt with by the statutory deadline of 31st December 2013.

Electoral registration

36. In his annual report the Assessor makes reference to Scottish Government plans to introduce Individual Electoral Registration (IER) in 2014. A Confirmation Dry Run of this system was performed in August 2013 and the Board have only recently received the results of this which will subsequently be analysed for planning purposes. A report will be issued to the Board in November 2013.
37. Further to this, the registration of 16 and 17 year olds for the Scottish Independence Referendum of 2014 will commence in October 2013.

Action Plan

Key Risk Areas and Planned Management Action

Action Point	Refer Para No	Risk Identified	Planned Management Action	Responsible Officer	Target Date
1	22	<p>Budget Setting</p> <p>The accruing of revenue reserves in recent years has resulted in the DABVJB issuing a refund to the three constituent authorities for the first time.</p> <p>Management and the Board should consider the appropriate level of budget setting to ensure that contributions made to the Board by the constituent authorities are set at appropriate levels.</p> <p><i>Risk - Budgets are not aligned to projected expenditure.</i></p>	Assessor will work with Treasurer to ensure that Budgets accurately match expected expenditure.	Treasurer	November 2013
2	25	<p>Service Level Agreements (SLAs)</p> <p>There are no SLAs in place to define the support services provided to the Board by West Dunbartonshire Council.</p> <p><i>Risk - there is insufficient clarity over issues such as service definition, performance measurement, duties, warranties and</i></p>	Assessor will work with Treasurer to ensure that SLA is presented to the Joint Board	Treasurer / Assessor & ERO	November 2013

Action Point	Refer Para No	Risk Identified	Planned Management Action	Responsible Officer	Target Date
		<i>termination of agreement.</i>			
3	29	<p>Internal Audit Coverage</p> <p>The Board uses the major financial systems of West Dunbartonshire Council which are tested by the Council's Internal Audit department. Internal Audit planning files detail the testing to be carried out on financial systems involving income, expenditure and payroll across various different bodies however no reference is made to Board transactions.</p> <p><i>Risk - transactions involving the Board may not be subject to appropriate coverage by Internal Audit.</i></p>	Internal Audit will be asked to ensure that any samples taken while testing financial systems include a representative sample from the Valuation Joint Board	Treasurer	September 2013
4	34	<p>Council Tax Banding Appeals</p> <p>In September 2013 it was recognised that the council tax bands of approximately 1,000 domestic properties within East Dunbartonshire required reassessment to ascertain if their current 'E' band should be reduced to a 'D' band. This will impact on the workload of valuation staff.</p> <p><i>Risk - the Board may find it difficult to deliver its statutory duties and achieve the targets it has</i></p>	<p>A specific team has been established to pro-actively tackle the issue in East Dunbartonshire.</p> <p>Managers will continue to monitor performance in all areas of operation and re-apply resources as deemed fit.</p>	<p>Assessor & ERO</p> <p>Assessor & ERO</p>	<p>In place September 2013</p> <p>Ongoing</p>

Action Point	Refer Para No	Risk Identified	Planned Management Action	Responsible Officer	Target Date
		<i>set for its key performance indicators.</i>			