



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 27 JANUARY 2023

SUBJECT: INTERNAL AUDIT PLAN FOR 2023/24

BY: INTERNAL AUDITOR

1. REASON FOR REPORT

- 1.1 This report advises the Board of the planned internal audit coverage of the Assessor's Service for the financial year ending 31st of March 2023.

2. RECOMMENDATION

- 2.1 **That the Board considers and notes the proposed internal audit coverage.**

3. BACKGROUND

- 3.1 In terms of the Public Sector Internal Audit Standards applicable to local government and joint boards, an internal audit plan is a requirement for each financial year. The plan takes account of risk and is presented to the Board to enable it to consider and comment on the proposed audit coverage.
- 3.2 It is recognised that whilst the Assessor's Service is subject to considerable operational challenges as a consequence of service demands, the costs of the service do not change materially from year to year, with funding predominantly met by requisition from the constituent authorities. The main expenditure continues to relate to staffing costs with other outlays covering annually recurring items including office rentals and service charges, ICT infrastructure and licencing, and postage outlays.
- 3.3 Additionally, as in prior years, the main financial systems of the Assessor's Service mirror those of the Moray Council hence audit assurances provided in terms of the controls within the Council systems can be relied upon as being applicable to financial systems relating to the Service. This mitigates the risks associated with the audit and influences the nature and extent of audit work required.

- 3.4 It is recognised there will be particular workload pressures for the Service due to the non-domestic rates reform resulting from the Barclay Review. As such, the timing of the audit will be flexible and responsive to changing circumstances. The impact of the pandemic has also resulted in changes in the working practices of the Service, with officers working from home. The Internal Audit Section has adapted and greater use has been made of electronic methods of communication. However, sometimes this has proved challenging and may slow the pace of an audit.
- 3.5 Notwithstanding the impacts outlined above, it is anticipated that the audit work proposed will provide the Assessor and the Treasurer with a 'complete' opinion on the adequacy and effectiveness of the internal control systems and procedures without any need for 'a limitation of scope' in the audit coverage. A 'limitation of scope' arises where Internal Audit is unable to draw on sufficient assurances to issue a 'complete' audit opinion in accordance with the Public Sector Internal Audit Standards. This opinion will inform the assurance statement relative to governance matters the Assessor prepares for inclusion with the Board's annual accounts.
- 3.6 In this context, it is expected that the work to be undertaken by Internal Audit in relation to the Service's activities will involve:
- Seeking confirmation that the Assessor continues to monitor and evaluate the principal risks facing his Service;
 - Analytical review of staff payroll costs and non pay expenditure for the current and prior years and review of any material variances, including assessment of procurement issues where applicable;
 - Verification of other sources of income to include government contributions in support of service delivery and developments;
 - Confirmation of the controls relative to collection and submission of changes to the valuation rolls and council tax lists to the constituent Authorities;
 - Review of the draft annual governance statement to ensure compliance with published best practice guidance;
 - Follow up of any prior year audit recommendations.
- 3.7 Completion of this work will provide the necessary coverage for internal audit purposes. The work is carried out independently of the external auditor for different but complementary purposes.

4. CONSULTATIONS

- 4.1 The Assessor has been consulted in the preparation of this report.

5. CONCLUSION

- 5.1 **Audit planning allows management to inform the audit activity to be undertaken and assists the internal audit team to schedule its work.**
- 5.2 **This report provides members of the Board with details of the proposed internal audit coverage which will be undertaken to provide independent assurance on the adequacy and effectiveness of the Service's control environment.**

Author of Report:
Background Papers:
Ref:DL/GVJB/270123

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Internal Audit files

