



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 26 JANUARY 2024

SUBJECT: INTERNAL AUDIT PLAN FOR 2024/25

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 31 March 2024.

2. RECOMMENDATION

- 2.1 **That the Board considers the proposed internal audit coverage, seeks clarification on any points arising, and otherwise notes the report.**

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 the particular workload pressures within the Service regarding non-domestic rates reform and changes required to the electoral system introduced by the Elections Act 2022. In addition, it was also noted that the number of staff vacancies remains a particular concern within the Service. As such, the timing of the audit will be flexible and responsive to changing circumstances.
- 3.5 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 when 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 in 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 their 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/26012

Dafydd Lewis, Internal Auditor
Internal Audit files

