



Grampian Valuation Joint Board

Friday, 26 August 2022

NOTICE IS HEREBY GIVEN that at a Meeting of the **Grampian Valuation Joint Board** is to be held at **remote locations via video conference**, on **Friday, 26 August 2022 at 10:30**.

BUSINESS

1. Membership of the Board	5 - 8
2. Appointment of Convener	
3. Appointment of Depute Convener	
4. Declaration of Member's Interests	
5. Minute of Meeting of 4 February 2022	9 - 12
6. Appointments to the General Purposes Sub-Cttee	13 - 14
7. Schedule of Meetings to 2027	15 - 18
8. Unaudited Annual Accounts 2021-22	19 - 98
9. Revenue Budget Monitoring Statement 1 April to 31 July 2022	99 - 102
10. Audit Scotland - Annual Audit Plan for GVJB 2021-22	103 - 118
11. Internal Audit Annual Report	119 - 122
12. Valuation Roll and Council Tax	123 - 130
13. Electoral Registration	131 - 136
14. Risk Management	137 - 148
15. Governance	149 - 154

16. **Complaints Handling Performance**

155 -
158

17. **Question Time**

GUIDANCE NOTES

- * **Declaration of Group Decisions and Members Interests** - At the beginning of the meeting, immediately following the Sederunt, the Convener will, in terms of Standing Order 25, seek declarations from individuals on any financial or other interests.

- ** **Written Questions** - Any member can put one question to the Convener about relevant and competent business not already on the Agenda for a meeting of the Board. No member can put more than one question at any meeting. The member must give notice in writing of their question to the Clerk 4 working days prior to the meeting. A copy of any written answer provided by the Convener will be tabled at the start of the relevant meeting. The member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter but no discussion will be allowed.

- *** **Question Time** - At each ordinary meeting of the Board, 10 minutes will be allowed for question time when any member can put one question to the Convener regarding any matter within the remit of the Board. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed. In the event of further information/investigation being required in order to answer the question, the Clerk will arrange for a written answer to be provided within 7 working days.



Grampian Valuation Joint Board

SEDERUNT

Councillor Gill Al-Samarai (Member)
Councillor Shirley Burnett (Member)
Councillor Isobel Davidson (Member)
Councillor Dell Henrickson (Member)
Councillor Ryan Houghton (Member)
Councillor Seamus Logan (Member)
Councillor Dominic Lonchay (Member)
Councillor Neil MacGregor (Member)
Councillor Stephen Smith (Member)
Councillor Iain Taylor (Member)
Councillor Lynn Thomson (Member)
Councillor Donald Gatt (Member)
Councillor Kathleen Robertson (Member)
Councillor Sonya Warren (Member)

Clerk Name:	Tracey Sutherland
Clerk Telephone:	07971 879268
Clerk Email:	committee.services@moray.gov.uk



MEMBERSHIP OF THE GRAMPIAN VALUATION JOINT BOARD

2022 – 2027

Board Members

Substitutes

Moray – 3 Members

Councillor Donald Gatt
Councillor Kathleen Robertson
Councillor Sonya Warren

Councillor Tracy Colyer
Councillor Marc Macrae
Councillor Theresa Coull

Aberdeen City – 6 Members

Councillor Gillian Al-Samarai
Councillor Dell Henrickson
Councillor Ryan Houghton
Councillor Neil MacGregor
Councillor Lynn Thomson
TBC

Councillor Gordon Graham

Aberdeenshire – 6 Members

Councillor Shirley Burnett
Councillor Isobel Davidson
Councillor Seamus Loga
Councillor Dominic Lonchay
Councillor Stephen Smith
Councillor Iain Taylor

Councillor Jeff Goodhall
Councillor Ron McKail
Councillor Iris Walker
Councillor Judy Whyte

Grampian Valuation Joint Board

The Grampian Valuation Joint Board comprises 15 members who are appointed by the three councils with Aberdeen City Council and Aberdeenshire Council each nominating 6 members and Moray Council 3 members. The Board was established as part of the 1996 reorganisation of local government in terms of The Valuation Joint Boards (Scotland) Order 1995 and is vested with the functions of the three valuation authorities (Aberdeen City Council, Aberdeenshire Council and Moray Council) in the area of the former Grampian Region. When the Board was originally established it was agreed that it would be responsible for electoral registration and convened by a member of Moray Council.

The Board is responsible for appointing the Assessor and Electoral Registration (ERO) and overseeing the administrative side of the valuation and electoral registration process: ensuring that there are sufficient resources to fulfil the valuation and registration functions, monitoring accounts, performance, audit and complaints. The Board and its members cannot however become involved in valuation decisions made by the Assessor. The Assessor has an independent professional valuation role which is required by the courts to be free from external influence. Similar provisions apply to ensure that registration decisions made by the ERO are solely the responsibility of the ERO.

Challenges to the Assessor and ERO's valuation and registration decisions are made to the local valuation appeal committee and sheriff respectively. Complex valuation issues are usually referred to the Lands Tribunal for Scotland and in all cases; valuation for rating, council tax bandings and electoral registration, there is a further appeal available within the Court of Session.

The Board meets four times each year, operates with a total budget of just under £5m and currently has 73 employees based in the Board's offices in Banff, Elgin and Woodhill House. It has its own governance framework, policies, terms and conditions and salary scales. The establishment is wholly service orientated, with back office services such as payroll, HR, audit and finance provided by Moray Council. The Board's IT services are managed by Aberdeenshire Council.

The Clerk to the Board is Roddy Burns, Chief Executive, Moray Council.

The Treasurer (section 95 Officer) to the Board is Lorraine Paisey, Head of Financial Services, Moray Council.

The Assessor and Electoral Registration Officer is Mark Adam.

Neither the Clerk nor Treasurer receives any remuneration for their posts.

Mark Adam (Assessor and Electoral Registration Officer)
2 June 2022

Minute of Meeting of the Grampian Valuation Joint Board

Friday, 4 February 2022

remote locations via video conference,

PRESENT

Councillor Frank Brown, Councillor Charles Buchan, Councillor Marion Buchan, Councillor Neil Copland, Councillor Bill Cormie, Councillor Gordon Graham, Councillor Graham Leadbitter, Councillor Neil MacGregor, Councillor Avril Mackenzie, Councillor Derek Ross, Councillor Stephen Smith, Councillor Judy Whyte

SUBSTITUTES

Councillor Howatson attended as substitute for Councillor Kille and Councillor Davidson attended as substitute for Councillor McKail.

APOLOGIES

Councillor Andy Kille, Councillor Ron McKail, Councillor John Reynolds

IN ATTENDANCE

Also in attendance at the above meeting were Lorraine Paisey, Treasurer to the Board, Dafydd Lewis, Internal Audit Manager both Moray Council, Mark Adam, Assessor and ERO, Jim Barron, Depute Assessor and ERO, Linda Smith, Principal Admin Officer and Tracey Sutherland, Committee Services Officer.

1. Chair

The meeting was chaired by Councillor Graham Leadbitter.

2. Declaration of Member's Interests

In terms of Standing Order 25 and the Councillor's Code of Conduct, the Board noted that there were no declarations from Members who were present at the meeting where any item of business in which they have any financial or other interest is to be dealt with.

3. Minute of Meeting of 5 November 2021

The minute of the meeting of 5 November 2021 was submitted and approved by the Board.

4. Revenue Budget Monitoring Statement 1 April to 31 Dec 2021 and Estimated Outturn

A report by the Treasurer to the Board asked the Board to consider the Revenue Budget Monitoring Statement for the period 1 April to 31 December 2021.

Following consideration the Board agreed to note:

- i) the revenue monitoring statement for period 1 April 2021 to 31 December 2021; and
- ii) the estimated outturn forecast for the financial year 2021/22.

5. Financial Planning for 2022-23 and Future Years

A report by the Treasurer to the Board asked the Board to consider the three year Revenue Budget from 2022/23 and to agree the requisitions for 2022/23 from the three constituent authorities.

Following consideration the Board agreed to approve:

- i) 3 year revenue budget from 2022/23;
- ii) requisitions to the constituent authorities for 2022/23 to be set at £4,749,000 as detailed in the table at paragraph 6.3; and
- iii) the planned use of £147,000 from the NDR reform reserve to cover spend in 2022/23.

The Board also agreed to note the clarification of the reserves policy as detailed in paragraphs 5.18 - 5.24.

Mrs Paisey left the meeting following the conclusion of this item.

6. Internal Audit Plan 2022-23

A report by the Treasurer to the Board advised the Board of the planned internal audit coverage of the Assessor's Service for the financial year ended 31 March 2021.

Following consideration the Board agreed to note the report.

7. Valuation Roll and Council Tax Valuation List

A report by the Assessor and ERO provided the Board with an operational update on the valuation services provided by the Assessor.

Following consideration the Board agreed to note the report.

8. Electoral Registration

A report by the Assessor and ERO updated the Board on developments in Electoral Registration.

Councillor Copland requested a breakdown of the number of postal votes per Local Authority area. Ms Smith confirmed that she would circulate the information following the meeting.

Following consideration the Board agreed to note the contents of the report.

9. Governance

A report by the Assessor and ERO updated the Board on the review of HR policies and governance documents.

The Assessor and ERO advised the Board that since the report had been written a revised timetable has now been received from Moray Council's HR department.

Following consideration the Board agreed to note the contents of the report.

10. Public Holiday - Her Majesty The Queen's Platinum Jubilee

A report by the Assessor and ERO advised the Board of the position in relation to the additional public holiday for 2022.

Following consideration the Board agreed to note the content of this report and to designate Friday 3 June 2022 as an additional public holiday for employees and close the Board's offices on this date.

11. Thanks

The Chair acknowledged that this was the last meeting of the Board prior to the Local Government Elections in May 2022 and thanked all members of the Board for their work and co-operation over the last 5 years.



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 26 AUGUST 2022

SUBJECT: APPOINTMENTS TO GENERAL PURPOSES SUB-COMMITTEE

BY: CLERK TO THE BOARD

1. REASON FOR REPORT

1.1 To invite the Board to appoint members to the General Purposes Sub-Committee for the period to August 2022 to May 2027.

2. RECOMMENDATIONS

2.1 It is recommended that the Board considers making appointments to the General Purposes Sub-Committee.

3. BACKGROUND

3.1 In terms of Standing Order 7, the Board shall establish a General Purposes Sub-Committee which shall have as its members the Convener, the Depute-Convener and three others from among the Constituent Authorities of which at least one shall not be representative of the same Constituent Authority as that of the Convener and Depute-Convener.

3.2 It has been the previous practice of the Board to appoint a membership of 5, in total, to the Sub-Committee.

3.3 The purpose of the General Purposes Sub-Committee is to deal with matters which may be referred to it from the Board, from time to time, either with delegated authority to determine or to consider and make recommendations thereon to the Board.

Author of Report: Tracey Sutherland, Committee Services Officer

Background Papers:

Ref:



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 17 JUNE 2022

SUBJECT: SCHEDULE OF MEETINGS TO JUNE 2027

BY: CLERK TO THE BOARD

1. REASON FOR REPORT

1.1 To invite the Board to consider and agree how future meetings will be held and the schedule of meetings for the period to June 2027.

2. RECOMMENDATIONS

2.1 It is recommended that the Board:

- i) agree how future meetings of the Grampian Valuation Joint Board will be held as per the options detailed in section 4;**
- ii) agree, based on the decision at 2.1 (i) whether to change the start time of future meetings as stated in para 4.5; and**
- iii) approve the schedule of meetings for the period to June 2027, as set out in Appendix 1.**

3. BACKGROUND

3.1 At the meeting of the Board on 5 November 2021 (para 14 of the minute refers) the Board agreed to continue holding the Board meetings virtually until the first meeting of the new Board, using Moray Council's Connect Remote system, they further agreed that the meetings of the Board should be webcast.

3.2 At the meeting, the Board also agreed to defer the decision on how the meetings will be held in the future until the constitution of the new Board and to let the new Board agree how they wished the meetings to take place.

4. FUTURE OPTIONS

4.1 The options proposed are:

- to continue the meetings online;
- to return to face to face meetings when restrictions allow;
- to have hybrid meetings.

Online Meetings

- 4.2 Holding on-line meetings saves members and officers time, in not having to travel to either Elgin or Aberdeen and in turn savings on travel and subsistence for each of the constituent Authorities.

Face to Face Meetings

- 4.3 Prior to the Covid-19 pandemic, meetings of the Board were held face to face, twice a year in Elgin and twice a year in Aberdeen, this involved members and officers travelling to either location. If the Board decided to return to face to face meetings, the meetings could only be webcast when held in Elgin.

Hybrid Meetings

- 4.4 Members may wish to consider hybrid meetings where there is a mixture of in person and on-line attendance. If this is the preferred option, to allow for the continuation of webcasting the meetings, the face to face location of the meetings would require to be Moray Council offices in Elgin to allow the use of their hybrid meeting and webcasting facilities.

Meeting Start Times

- 4.5 Should the Board wish to continue with on-line or hybrid meetings, they may wish to consider whether to start the meetings earlier at 9.30am. The 10.30am start was to allow for Members and Officers to travel to the meeting venue.

5. PROPOSED SCHEDULE OF MEETINGS

- 5.1 It has been the previous practice of the Board to agree meeting dates to coincide with setting of the budget and the submission of draft and audited accounts. Arrangements for any special meetings will be made in consultation with the Convener, the Depute Convener, the Grampian Assessor and Electoral Registration Officer (ERO) and appropriate Officers and constituent authorities.
- 5.2 The proposed schedule of meetings is contained in **Appendix 1** to this report.

6. CONSULTATIONS

- 6.1 The Grampian Assessor and ERO, the Treasurer to the Board and Committee Services staff at Aberdeenshire Council and Aberdeen City Council have been consulted and any comments received have been incorporated into the report.

7. CONCLUSION

- 7.1 **The Board is asked to consider the proposed schedule of dates for Grampian Valuation Joint Board meetings until June 2027 and how it wishes to meet in the future.**

Author of Report: Tracey Sutherland, Committee Services Officer
Background Papers:
Ref:

**Proposed Schedule of Meetings for Grampian Valuation Joint Board
To June 2027**

2022

26 August 2022
28 October 2022

2023

27 January 2023
30 June 2023
1 September 2023
3 November 2023

2024

26 January 2024
28 June 2024
30 August 2024
1 November 2024

2025

31 January 2025
27 June 2025
20 August 2025
31 October 2025

2026

30 January 2026
26 June 2026
28 August 2026
30 October 2026

2027

29 January 2027
26 June 2027



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 26 AUGUST 2022

SUBJECT: UNAUDITED ANNUAL ACCOUNTS FOR 2021/22

BY: TREASURER TO THE BOARD

1. REASON FOR REPORT

1.1 To consider the unaudited Annual Accounts for the Grampian Valuation Joint Board for the year ended 31 March 2022.

2 RECOMMENDATION

2.1 It is recommended that the Board considers the unaudited Annual Accounts of the Grampian Valuation Joint Board for the year ending 31 March 2022.

3. BACKGROUND

3.1 Joint Boards are required to account for their activities to the communities that they serve and to have the financial effect of those activities audited by External Auditors.

3.2 In accordance with the Local Authority Accounts (Scotland) Regulations 2014, it is a statutory requirement that the unaudited Annual Accounts are presented to the Board's appointed Auditor by the 30 June in the next financial year.

3.3 The unaudited Annual Accounts for 2021/22 have been prepared in accordance with the Code of Practice on Local Authority Accounting, supported by International Financial Reporting Standards.

4. 2021/22 ANNUAL ACCOUNTS

4.1 Copies of the unaudited Annual Accounts for the year ended 31 March 2022 have been distributed with this report.

4.2 At the meeting on 5 February 2021, the Board agreed the Revenue Budget for 2021/22 (paragraph 4 of the Minute refers) of £4,933,000. The requisitions to constituent authorities were set at £4,842,000 with approved use of earmarked NDR reserves of £91,000.

- 4.3 The core budget was set at £4,389,000, with an additional £544,000 budgeted for NDR Reform.
- 4.4 The net expenditure for the year, as shown on Appendix 1, was £4,076,000 including Capital financed from revenue (CFCR), resulting in an underspend of £843,000. The budgeted use of reserves (£91,000) was not required and therefore the overall year end variance is £752,000.
- 4.5 The total underspend of £752,000 is split between the core budget (£487,000) and NDR Reform budget (£265,000).
- 4.6 The estimated outturn reported to the Board on 4 February 2022 was £811,000 of an underspend; a projected variance of £545,000 in the core budget and £266,000 in the NDR Reform budget. This final outturn and variances are discussed in more detail in paragraphs 5.1 to 5.13 below.

Reserves

- 4.7 The Board at its meeting on 28 January 2011 (paragraph 4 of the Minute refers) agreed to create a General Reserve from the surplus generated in that year and that transfers to the General Fund would be restricted to 3% of the total budget in any one year and that the cumulative balance of the fund would not exceed 5% of the total budget.
- 4.8 In setting the 2021/22 Revenue Budget, the Treasurer clarified that the cumulative balance on the uncommitted part of the General Fund should be calculated on the core budget alone and exclude any separate budgets with earmarked funding i.e. the NDR reform budget.
- 4.9 Under the policy the maximum amount of the General Fund had been exceeded and therefore a transfer out of the General Fund was required to bring the balance from £235,000 to £219,000. This £16,000 is included in the refund to authorities.
- 4.10 It was agreed at the meeting of the Board on 7 February 2020 that an earmarked reserve could be created to allocate any unspent budget on NDR Reform to cover the implementation of the reform in future years.
- 4.11 The budget for 2021/22 included a provision of £544,000 to meet the cost of preparations to deliver reforms to NDR following the Barclay review. As mentioned in paragraph 4.5 above, there was an underspend of £265,000 which has been year transferred to the earmarked reserve, bringing the balance to £408,000.
- 4.12 The total of the Usable Reserves £627,000 as shown in Note 16 to the Accounts is the balance of the General Reserve (£219,000) and the earmarked NDR portion (£408,000).

Refund to Authorities

- 4.13 Following the transfer out of the General Fund and into the NDR earmarked reserve, and the funding of capital from current revenue (CFCR) of £13,000 an anticipated £503,000 falls due to be returned to the constituent authorities. The confirmed audited amount will be reported at the first Board meeting after the audit work is complete. The split of the estimated refund between authorities is shown below:

2021/22 Proposed Surplus Refund to Authorities		
	%	£
Aberdeen City Council	39.04	196,310
Aberdeenshire Council	44.60	224,268
Moray Council	16.36	82,265
Total	100.00	502,843

Accounts 2021/22

- 4.14 The Comprehensive Income and Expenditure Account shows a deficit of £210,000 on the provision of services for the year. Adjustments are required to reverse the statutory accounting charges and replace with charges relating to Local Government statutory regulations. These adjustments include the removal of the full charge for pension costs and holiday pay earned in accordance with International Accounting Standard 19 Employee Benefits (IAS19). These are replaced by £439,000 for the total of superannuation contributions payable and an accrual for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward. The depreciation charge of £33,000 is removed and CFCR £13,000 added.
- 4.15 This results in the net transfer out of the General Fund of £16,000, and in to the NDR earmarked reserve of £265,000.
- 4.16 The Movement in Reserves Statement in the Annual Accounts shows the movement in the year on the various reserves held by the Board, analysed into Usable Reserves, i.e. those that can be used to fund expenditure, and Unusable Reserves, i.e. those that have been created for specific accounting entries and do not represent distributable funds.
- 4.17 The Usable Reserves show the reserves which members of the Board have control over: the General Reserve of £219,000 and the earmarked NDR Reserve of £408,000.
- 4.18 The Unusable Reserves record accounting entries which the Board is required to disclose and do not represent funds available for use. These include balances for the Revaluation Reserve, Capital Adjustment Account, Pensions Reserve and the Employee Statutory Adjustment Account. More detail on the purpose of these reserves and the movements during the year in them are described in Note 17 to the Accounts.

5. VARIANCES

Significant Variances between Budget and Actual for 2021/22

- 5.1 The actual result for the year, set out in the usual budget monitoring format, forms **APPENDIX 1** to this report. The Appendix also gives a detailed analysis of the variance between the core budget and NDR Reform funding.
- 5.2 The significant variance in 2021/22 can be attributed to the ongoing pressures that the coronavirus pandemic has intensified for the operations of the service; mainly the recruitment of staff, the move to new accommodation within Woodhill House, and delays in progressing with NDR Reform. Also the unbudgeted use of £186,000 Scottish Parliament Election (SPE) funding that was carried forward and used to fund ongoing core expenditure.
- 5.3 Employee costs were under budget by £651,000, mainly due to vacancies and part vacancies throughout the year. Within this, £209,000 relates to the NDR Reform posts that remained vacant in the year due to existing recruitment challenges.
- 5.4 Property costs were over budget by £48,000 in total within the core budget. An overspend of £58,000 was anticipated given the relocation within Woodhill House did not go ahead as expected, and savings would not be achieved.
- 5.5 Transport costs were under budget by £5,000, of which £3,000 was NDR reform budget.
- 5.6 Supplies and Services were under budget in total by £45,000. Expenditure on postages varies considerably on a year by year basis and, this year, the issue of letters to households prior to the Scottish Local Government Elections in May 2022 was an additional cost but this was funded by the SPE grant funding carried forward from the previous year, shown under income.
- 5.7 IT budgets were under spent in the year, by £147,000, with the majority of the variance within NDR reform. This slippage accounts for part of the transfer to the earmarked reserve and will be spent in future periods.
- 5.8 Valuation appeal hearings were below budget this year by £21,000.
- 5.9 There were other minor variances in supplies and services.
- 5.10 Income received during the year was above budget by £193,000 in total; with the £186,000 SPE grant funding being the main reason.

Significant Variances between Forecast and Actual Variances for 2021/22

- 5.11 As explained in paragraph 4.5, the total underspend in 2021/22 was £752,000; core budget at £487,000 and NDR Reform budget at £265,000. This is compared to an estimated variance of £811,000 reported to the Board in February; being a core budget variance of £545,000 and NDR Reform of £266,000.

- 5.12 The main areas of difference between the forecast and the final outturn was on postage and Electoral Registration printing costs. An overspend of £83,000 was forecast but the actual year end figure was an overspend of £152,000, which was funded by the SPE grant.
- 5.13 In NDR reform, the latest projection reported in February was for £93,000 of the budgeted £143,000 ICT work to take place. This did not happen, with only £9,000 of spend against the budget heading. The use of the earmarked reserve was therefore not required in 2021/22 and remains available for use in the future.

6 CONCLUSION

- 6.1 The Board met the statutory deadline for the submission of the annual accounts to the External Auditor by 30 June 2022.
- 6.2 The Board generated a surplus of £752,000 for the year to 31 March 2022. It is anticipated that a total of £503,000 will be returned to constituent authorities following the annual audit.

Author of Report:	Susan Souter, Accountant
Background papers:	Held within Accountancy Section, Moray Council
Date:	

UNAUDITED ACCOUNTS



**GRAMPIAN
VALUATION
JOINT BOARD**

**ANNUAL ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2022**

If you need information from the Moray Council in a different language or format, such as Braille, audio tape or large print, please contact:

إذا كنتم في حاجة إلى معلومات من قبل مجلس موراي وتكون بلغة مختلفة أو على شكل مختلف مثل البراي، أسطوانة أوديو أو أن تكون مطبوعة باستعمال حروف غليظة فالرجاء الإتصال ب

Jei pageidaujate tarnybos Moray tarybos teikiamą informaciją gauti kitokiu formatu, pvz., Brailio raštu, garso įrašų ar stambiu šriftu, kreipkitės:

Jeśli potrzebują Państwo informacji od Rady Okręgu Moray w innym formacie, takim jak alfabet Braille'a, kasety audio lub druk dużą czcionką, prosimy o kontakt:

Se necessitar de receber informações por parte do Concelho de Moray num formato diferente, como Braille, cassete áudio ou letras grandes, contacte:

Ja Jums vajadzīga informācija no Marejas domes (*Moray Council*) citā valodā vai formātā, piemēram, Braila rakstā, audio lentā vai lielā drukā, sazinieties ar:

اگر آپ کو مورے کونسل سے کسی دیگر زبان یا صورت میں معلومات درکار ہوں مثلاً "بریلے، آڈیو ٹیپ یا بڑے حروف، تو مہربانی فرما کر رابطہ فرمائیں: :



Treasurer to the Board, Financial Services, High Street, Elgin, IV30 1BX



01343 563125



accountancy.support@moray.gov.uk

Contents

MANAGEMENT COMMENTARY	1
STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS	12
ANNUAL GOVERNANCE STATEMENT	13
REMUNERATION REPORT	23
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT.....	31
MOVEMENT IN RESERVES STATEMENT	33
BALANCE SHEET	35
CASH FLOW STATEMENT	37
NOTES TO THE ACCOUNTS.....	39
Note 1 Accounting Policies.....	39
Note 2 Accounting Standards That Have Been Issued But Have Not Yet Been Adopted	41
Note 3 Critical Judgements in Applying Accounting Policies.....	41
Note 4 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty.....	41
Note 5 Material Items of Income and Expenditure	42
Note 6 Events After The Reporting Period.....	42
Note 7 Expenditure and Funding Analysis and Adjustments between Accounting Basis and Funding Basis under Regulations.....	43
Note 8 Expenditure and Income Analysed by Nature	46
Note 9 Earmarked Portions of the General Fund.....	46
Note 10 Financing and Investment Income and Expenditure.....	47
Note 11 Property, Plant and Equipment	47
Note 12 Short Term Debtors	50
Note 13 Cash and Cash Equivalents.....	50
Note 14 Short Term Creditors	50
Note 15 Financial Instruments.....	51
Note 16 Usable Reserves.....	52
Note 17 Unusable Reserves.....	52
Note 18 External Audit Costs	56
Note 19 Cashflow	56
Note 20 Requisition and Grant Income.....	57
Note 21 Leases	57
Note 22 Related Parties	58
Note 23 Defined Benefit Pension Scheme.....	59
GLOSSARY OF TERMS.....	67

MANAGEMENT COMMENTARY

Strategy and objectives

The Assessor & Electoral Registration Officer is charged with the provision of valuation assessment and registration services across Aberdeen City Council, Aberdeenshire Council and Moray Council areas.

These strictly defined and regulated services are delivered by the Assessor & Electoral Registration Officer, the responsible independent statutory official, in partnership with the Grampian Valuation Joint Board, an independent local government body which was established by The Valuation Joint Boards (Scotland) Order 1995, and is comprised of members from each of the constituent authorities. The Board is required to appoint and resource the Assessor. The constituent authorities are required to appoint and resource an Electoral Registration Officer (ERO) and, by agreement, the Board has undertaken this responsibility on behalf of the local authorities.

The priorities for 2021/22 were:

- Implement a full household canvass using the reformed canvass model;
- Publish revised registers by 1 December 2021;
- Prepare for the local government elections scheduled for 5 May 2022;
- Maximise Valuation Roll appeal resolution and dispose of all Revaluation appeals by the revised statutory deadline of 31 December 2021;
- Maintain a complete and accurate Valuation Roll in terms of the Local Government (Scotland) Act 1975;
- Maintain a complete and accurate Council Tax Valuation List in terms of the Local Government Finance Act 1992;
- Continue to develop IT systems and procedures to deliver the non-domestic rates reform changes that include more frequent revaluations, greater transparency and improved information gathering powers;
- Improve IT service provision and capacity by working more closely with one of the constituent authorities.

Monitoring regimes

The Electoral Commission has a performance monitoring framework in place for EROs across the UK and requires quantitative and qualitative performance returns.

The Cabinet Office in its capacity as lead department for the implementation of individual electoral registration and canvass reform across the UK also required performance returns from EROs during 2021/22.

Quarterly revaluation appeal resolution returns are made to the Scottish Government that in turn publishes the local and national data¹.

Key performance indicators to monitor performance in relation to the updating of the Council Tax Valuation List and the Valuation Roll are set by the Board and are reported quarterly to the Board and annually to Scottish Government.

In discussion with the Electoral Commission, the Electoral Registration Committee of the Scottish Assessors Association are finalising a set of key performance indicators in relation

¹ <https://www.gov.scot/publications/non-domestic-rates-revaluation-appeals/>

MANAGEMENT COMMENTARY (continued)

to electoral registration activities and these will be reported on annually from 1 December 2022 onwards.

Business model

The organisation delivers the outcomes that are required by statute in a dual strand approach with the Board providing resources and oversight and the Assessor & ERO delivering the specialised independent professional services of valuation assessment and registration. The organisation normally operates out of offices in Aberdeen, Banff and Elgin but, as in 2020/21, operational activity has been mainly home-based with limited office-based activities being undertaken, largely in Aberdeen, due to the pandemic-related restrictions.

The Assessor & ERO and his staff work closely with the other Scottish Assessors and EROs via the Scottish Assessors Association (SAA) to deliver a service across Aberdeen City, Aberdeenshire and Moray council areas that is consistent with that being delivered across all 32 local authority areas in Scotland. The sharing of expertise and representation through the SAA is a unique example of shared services across Scotland that includes a national website and data source for a wide range of stakeholders that includes citizens, business, third sector, public agencies, government and research bodies.

Appeal outcome data and performance indicators measure the effectiveness of the organisation's valuation assessment role and the Electoral Commission's performance framework monitors the registration outcomes.

Despite the continued closure of operational offices due to the pandemic and the move to a working-from-home operational model, the organisation met all the demands placed upon it in terms of valuation assessment and registration during 2021/22.

The pandemic continued to impact on the organisation's planned activities for the year, although to a lesser degree when compared with 2020/21. Working practices to allow services to be maintained whilst working from home continued to be developed and refined. As an organisation which previously handled information largely in paper format, the change to a hybrid model where less paper is being handled within the office has been a challenge. However, this has produced benefits in terms of staff time and costs. As the year progressed and restrictions continued to ease, the inspection and survey of properties and door-to-door visits in connection with electoral registration activities began to increase.

The continued risks and uncertainties that prevailed during the year 2021/22 have again been amongst the most challenging this organisation has had to address.

A fair review of the business

In terms of our priorities:

Implement a full household canvass using the reformed canvass model

Under the reformed canvass model, the 2021 canvass again used data to determine the appropriate approach to be taken on a household-by-household basis. A data matching exercise was carried out where the registration database was compared to government records and the results returned to the registration officer. Where the results suggested that there was no change in the household composition, a canvass communication letter summarising the registration information for the household was issued and the household was invited to only respond if there were changes at the property. Where the results indicated that changes in a household composition may have taken place, a different canvass procedure

MANAGEMENT COMMENTARY (continued)

followed that required a response from the household and follow-up actions by the ERO. Although it was not possible to carry out door-to-door visits for the 2020 canvass, door-to-door visits resumed for the 2021 canvass and all properties which required a personal visit were canvassed by a member of the canvass team.

For the 2021 canvass, a total of 341,409 canvass communications were issued, compared to 387,768 canvass communications in 2020 and 482,539 canvass forms and reminders in 2019. This trend, and the associated savings, highlights one of the principal benefits of the reformed canvass model.

Publish revised registers by 1 December 2021

Revised registers were published on 1 December 2021 and the table below provides a summary of the last three revised registers for local government and Scottish Parliament elections.

Revised registers	Number of electors	Number of postal voters
1 February 2020	445,690	91,070
1 December 2020	448,331	88,494
1 December 2021	448,607	119,213

During the period from 1 December 2020 to 30 November 2021, 54,958 additions and 55,274 deletions were made to the registers. During the same period, 37,097 initial invitations to register were issued along with 31,984 first and second reminders.

Prepare for the local government elections scheduled for 5 May 2022

This was the second set of major elections to take place in Scotland during the pandemic. Unlike the Scottish Parliamentary elections (SPE) in 2021, no extra funding was made available, although any unused sums from the 2021 SPE funding was permitted to be retained and used for registration related activities in 2021/22.

For the 2021 SPE, a Household Notification Letter (HNL) was issued to all households in Scotland by local electoral registration officers (EROs). The letter detailed the eligible electors at the property and indicated if they were a postal voter. The purpose of this letter was to encourage citizens to take early action where they required to register to vote and/or register to vote by post. Using the funding which remained from the SPE, this HNL exercise was repeated in January 2022 with the aim of encouraging citizens to take early action and hopefully spread activity over a longer, more manageable period, rather than close to the registration deadlines. Given the high uptake of postal votes at the SPE, indications were that there would not be a similar upsurge in postal voting for the local government elections and that we could manage any influx of applications from our core admin team, supplemented by other existing staff if required. Therefore, in contrast to the 2021 SPE, no additional temporary staff were employed. With the exception of a small team based permanently in the Aberdeen office for mail and welfare reasons, the majority of the election related work in 2022 has been carried out remotely by staff working from home although the office-based presence has been increased at critical points in the election cycle when required.

The dedicated voter information on the Board's website has continued to be developed and, as in 2020/21, there was a facility for electors to request the issue of pre-populated absent vote application forms. Issuing the forms with the elector's details pre-populated allowed them to be processed quicker and more easily when they were returned, saving valuable staff time and resources. During the period from 1 February to 12 April 2022, over 3,800 forms were requested.

MANAGEMENT COMMENTARY (continued)

Maximise Valuation Roll appeal resolution

The pandemic seriously interrupted the independent Valuation Appeal Committees' appeal hearing and disposal programmes across Scotland and the Scottish Government extended the appeal disposal deadline to 31 December 2021 to cater for these unique circumstances. The number of appeals which required to be disposed of in Grampian was particularly challenging, even taking the extended deadline into account. However, the valuation team rose to the challenge and the loss of rateable value continued to be amongst the lowest in Scotland.

Discussions and negotiations continued throughout 2021/22 with the result that all the Revaluation 2017 appeals lodged in Grampian were disposed of by the statutory deadline of 31 December 2021 except for one appeal which is the subject of a procedural hearing to the Valuation Appeal Committee and 149 appeals which have been referred to the Lands Tribunal for Scotland. A summary of the Revaluation 2017 appeals is shown in the table below.

	Number	Percentage
Appeals lodged	11,291	100.000%
Appeals disposed of	11,141	98.671%
Appeals referred to Lands Tribunal for Scotland	149	1.320%
Appeals subject of a procedural hearing to the Valuation Appeal Committee	1	0.009%

Comprehensive data relating to the disposal of Revaluation appeals across Scotland can be found on the Scottish Government website².

Limited progress has been made in Grampian, and across the whole of Scotland, in relation to the thousands of "material change of circumstances" appeals that were lodged from 2020 onwards due to the effects of the pandemic on property values. The Scottish Government made an Order in autumn 2021 which specified that when calculating the rateable value of any properties on the 2017 Valuation Roll, no account could be taken of any matter arising on or after 1 April 2021 that is directly or indirectly attributable to coronavirus. However, this Order could not be applied retrospectively, and a Bill is currently going through the Scottish Parliament which would extend this rule back to 2 April 2020, the date on which the Scottish Government amended the definition of material change circumstances to exclude changes in economic circumstances. Although the deadline for disposal of appeals lodged from 1 January 2020 onwards has been extended to 31 December 2023, Valuation Appeal Committee hearings have been scheduled from summer 2022 through to the end of 2022. This will prove challenging for the valuation team whilst they carry out tasks in connection with Revaluation 2023.

Maintain a complete and accurate Valuation Roll in terms of the Local Government (Scotland) Act 1975

&

Maintain a complete and accurate Council Tax Valuation List in terms of the Local Government Finance Act 1992

These two priorities use quantitative target-based performance indicators rather than qualitative measures and as such the indicators can be misleading as achieving the targets relies partly on the timely receipt of information from the owners and occupiers of dwellings and non-domestic properties. Pandemic related restrictions continued to have an impact on

² [Non-domestic rates revaluation appeals statistics - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2021/12/Non-domestic_rates_revaluation_appeals_statistics_-_gov.scot_(www.gov.scot).pdf)

Grampian Valuation Joint Board Annual Accounts 2021/22

MANAGEMENT COMMENTARY (continued)

the organisation's ability to meet the timescales suggested by the key performance indicators but there has been an improvement from 2020/21 as well as an increase in volume of both alterations to the non-domestic Valuation Roll and the number of dwellings added to the Council Tax Valuation List. The last 3 year's figures are shown in the tables below;

Valuation Roll – number of alterations made to Valuation Roll/time taken from effective date of alteration to Valuation Roll to date of issue of valuation notice

Year	< 3 months		3-6 months		> 6 months		Total Number
	Number	%	Number	%	Number	%	
2019/20	1,176	59.3	358	18.0	450	22.7	1,984
2020/21	426	29.3	280	19.2	749	51.5	1,455
2021/22	663	39.4	380	22.6	640	38.0	1,683
Target		65*		20*		15*	

* Target for years 2019/20 & 2020/21 was 70%, 15% & 15%

Council Tax – number of dwellings entered into Valuation List/time taken from date of entry in Valuation List to date of issue of valuation notice

Year	< 3 months		3-6 months		> 6 months		Total Number
	Number	%	Number	%	Number	%	
2019/20	3,089	89.9	231	6.7	117	3.4	3,437
2020/21	1,357	61.4	408	18.4	447	20.2	2,212
2021/22	2,465	83.2	344	11.6	155	5.2	2,964
Target		94		3		3	

The organisation saw several retirements during 2021/22, including three at management team level. Although recruitment has been partially successful, there are still several unfilled posts within the valuation team, and this has also had an impact on the ability of the organisation to meet the KPI targets. Despite these difficulties, the organisation has performed exceptionally well in fulfilling its statutory requirements to maintain the Valuation Roll and List and it is a testimony to the hard work and dedication of colleagues that the current level of update to the Valuation Roll and Council Tax Valuation List has been achieved.

Continue to develop IT systems and procedures to deliver the non-domestic rates reform changes that include more frequent revaluations, greater transparency and improved information gathering powers

Work on this continued throughout 2021/22 and is still in progress at a local level and at a national level through work on the Scottish Assessor's Portal at saa.gov.uk. One of the significant pieces of work completed during the year has allowed the improved information gathering powers to be exercised in the form of Assessor Information Notices (AINs). As of 31 March 2022, in excess of 20,000 AINs had been issued for various property types across Grampian. An internal Revaluation Working group comprising experienced valuation practitioners meets regularly to consider the various challenges which lie ahead of the

MANAGEMENT COMMENTARY (continued)

Revaluation which takes effect from 1 April 2023.

Improve IT service provision and capacity by working more closely with one of the constituent authorities

Discussions with Aberdeenshire Council continued throughout 2021/22 and a Service Level Agreement is now in place whereby Aberdeenshire Council's IT section now manage the Board's IT infrastructure and provide day-to-day IT support to staff. Additional integration of services is currently being explored and undertaken, all with the aim of providing savings to the Board whilst providing a more comprehensive, robust and resilient service to users.

Future developments

The priority for the next year is to continue to fulfil our statutory duties across all three service strands: council tax, valuation for rating, and electoral registration.

In relation to council tax, the current Scottish Government has council tax reform as one of its key priorities although there is no concrete timescale for it. It is planned that a citizen's assembly will be set up to consider the way forward and the situation will be monitored by the Assessor through the Scottish Assessors Association and its Domestic Subjects Committee of which he is currently the Secretary. In addition, restrictions imposed by the pandemic hindered progress in the disposal of council tax appeals. However, a timetable of hearings of the Valuation Appeal Committees has now been established for the 2022 calendar year.

In relation to valuation for rating, the organisation faces several challenges. The general revaluation of all non-domestic subjects is effective from 1 April 2023 and work is ongoing to ensure that draft values are prepared for publication by 30 November 2022 and final values by March 2023. This task is challenging due to the fact that valuations are to be based on the levels of value that prevailed one year prior to the revaluation date (the "tone") rather than two years prior at previous revaluations. This means that the "tone" for the 2023 Revaluation is 1 April 2022 and therefore information must be ingathered and analysed in a shorter timeframe than previously. The current level of vacancies in the valuation team makes this task more acutely challenging. The difficulties of recruiting suitably qualified professional staff are not unique to the Grampian Assessor and is being experienced by colleagues in other Assessors' offices and across the public sector more widely.

The transfer of the work of the independent valuation appeal committees to a new chamber in the Scottish Courts and Tribunal Service will now take place with effect from 1 January 2023. This move brings with it a change to the appeal procedures in relation to non-domestic valuations. Although the terms of the legislation have still to be finalised, it is already known that system and procedural changes will be required to deal with the two-stage proposal and appeal process which will replace the existing appeal procedures.

In relation to electoral registration, the Elections Act which received Royal Assent in April 2022 brings with it several changes which will impact on the work of the organisation, including the requirement for voter identification in relation to UK elections and the removal of the restriction on British citizens who have been resident overseas for more than 15 consecutive years from voting in UK elections. The repeal of the Fixed Term Parliaments Act in March 2022 adds more uncertainty and complexity to the date of a future UK general election, particularly when considered alongside the ongoing review of UK Parliament constituencies by the Boundary Commission.

These legislative changes indicates that operational agility and planning will be the key to the success of the implementation and delivery of these developments.

MANAGEMENT COMMENTARY (continued)

In relation to governance, the retirement of several members of the management team during 2021 and the continuing impact of the pandemic meant that progress was challenging during 2021/22 as it had been in 2020/21. However, with a new management team in place and the lifting of the majority of the pandemic related restrictions, we anticipate that the opportunities for updating and modernising our governance arrangements to streamline and improve efficiency across the organisation whilst maximising our effectiveness in terms of costs and service delivery will continue.

Key performance indicators (KPI)

The organisation's code of corporate governance established a KPI reporting and three-year review regime. They seek to quantify the effectiveness of the organisation's activities in relation to the Valuation Roll of non-domestic property assessments and the Valuation List of domestic property council tax band allocations. The Assessor & ERO provides performance reports at every meeting of the Board and an annual public performance report is published online. KPI targets for the three years from 2021/22 onwards were agreed by the Board at its June 2021 meeting.

The Electoral Commission's performance framework for electoral registration officers focuses on both qualitative and quantitative performance monitoring. As mentioned earlier, the Electoral Registration Committee of the Scottish Assessors Association is finalising a set of key performance indicators in relation to electoral registration activities, and these will be reported on annually from 1 December 2022 onwards.

Principal risks and uncertainties

The organisation maintains an operational and strategic risk register which is continually monitored and reviewed by the management team.

The principal risks and uncertainties relate to a dynamic valuation assessment and registration statutory framework, challenges in terms of financial resources and, particularly, securing sufficient expertise to deliver our services. The effect of the global pandemic continues to present challenges to the operational activities and remains a major influence on all decision making within the organisation.

Apart from the normal control measures in terms of financial and operational planning, the Assessor & ERO and the management team seek to mitigate risk and uncertainty through partnership working through the Scottish Assessors Association (SAA) and external agencies. The Assessor & ERO is Secretary to the SAA Electoral Registration and Domestic Subjects committees and has been offered a place on the Electoral Management Board for Scotland. These roles will assist the organisation to meet the challenges of any developments in relation to the valuation assessment and registration functions of the organisation and also with the identification of risks and the work required to minimise uncertainties in what remains an extremely unpredictable and challenging public sector environment.

MANAGEMENT COMMENTARY (continued)

Financial Performance

Revenue Expenditure

The Grampian Valuation Joint Board, at its meeting on 5 February 2021, approved the 2021/22 Revenue Budget of £4.933m (2020/21 £4.833m), an increase of 2.0%. The requisitions to constituent authorities were set at £4.842m (2020/21 £4.703m) with approved use of reserves of £0.091m. The core budget was set at £4.389m, with an additional £0.544m budgeted for NDR Reform.

The Joint Board receive quarterly Revenue Monitoring reports during the year in order to keep the board members fully informed as to the latest position, and projected outturn.

The actual net expenditure in 2021/22 was £4.090m (2020/21 £3.979m) resulting in an underspend of £0.843m for the year. The budgeted use of General Reserve of £0.091m is not required, thus giving an overall variance of £0.752m. Of this total, £0.265m was transferred to the NDR Reserve for future commitments, while £0.016m was transferred out of the General Fund Reserve to bring the balance back to the maximum permitted under the Board's Reserves Policy. This balance of £0.503m is available to return to the constituent authorities.

The Comprehensive Income and Expenditure Statement shows a deficit of £0.210m on the provision of services for the year. After allowing for the reversal of statutory charges for International Accounting Standard 19 (IAS19) of £0.439m, CFCR of £0.013m and depreciation totalling £0.33m, this leaves the £0.016m transferred out of the General Fund and £0.265m to the NDR Reserve.

The following table shows a summary of the figures for the main variances between budget and actual for the year to 31 March 2022. These figures are monitored and reported to the Board throughout the year, and exclude accounting adjustments related to pensions, short-term accumulating absences and depreciation. Actual under/overspends are explained in the detailed variance analysis below.

2020/21		2021/22	2021/22	2021/22
Actual		Budget	Actual	Variance
£000		£000	£000	£000
3,053	Employee Benefit Expenses	3,737	3,086	(651)
1,243	Other Service Expenses (including capital financed from current revenue (CFCR))	1,152	1,150	(2)
63	Support Service Recharges	59	62	3
(1)	Interest and Investment Income	(2)	(8)	(6)
(379)	Government Grants and other Service Income	(13)	(200)	(187)
3,979	Net (Under)/Overspend Against Budget	4,933	4,090	(843)
	Funded by:			
(4,703)	Requisitions	(4,842)	(4,842)	-
-	Approved use of Reserves	(91)	-	91
(724)	2021/22 Outturn	-	(752)	(752)

MANAGEMENT COMMENTARY (continued)

The main variances from budget during the year were:

- £0.651m underspend for Employee costs, largely due to staff vacancies and difficulties experienced in recruiting suitably qualified staff.
- There is a small overall variance on other service expenses, but within this heading there are both over and underspends, detailed below.
- The move to a new office suite within Woodhill House was delayed. The current rental and service charges continue until the relocation takes place, resulting in a £0.062m overspend. However, within property costs there was reduced expenditure on heating, lighting and cleaning costs of office accommodation as staff continue to work from home since lockdown.
- There was an overspend on postages of £0.152m due to the issue of mail in advance of the Scottish Parliament Election (SPE) in May 2021, which included household notification letters and letters to all 16 and 17 year olds encouraging them to register to vote. This expenditure was funded by government grant for the expected increase in postal vote applications in the run up to the SPE in May 2021.
- An underspend on ICT of £0.161m is due to slippage in NDR planned spend on support costs and equipment.
- Valuation Appeals costs were underspent by £0.02m
- The £0.187m variance in income is mainly due to government grants received in excess of budget expectation.
- Of the £0.265m underspend related to NDR reforms, £0.209m is within the employee costs, £0.146m on other expenditure, and without the budgeted use of the earmarked reserve of £0.091m, this gives the underspend of £0.265m.

General Reserve

In setting the 2021/22 Revenue Budget the Treasurer clarified that the cumulative balance on the uncommitted part of the General Fund should be calculated on the budget for the Joint Board's core costs alone and exclude budgets with a separate funding stream e.g. NDR earmarked reserve for implementation of the Barclay Review.

The NDR reserve does not go by the same principles, given the nature of funding for NDR reform by the Scottish Government.

The General Reserve balance at 31 March 2022 is £0.219m with an additional £0.448m earmarked for the NDR reform Implementation.

Going Concern

The Balance Sheet at 31 March 2022 shows an excess of assets over liabilities of £0.739m (net asset of £0.998m at 31 March 2021). The North East Scotland Pension Fund is required to carry out actuarial valuations every three years. Future actuarial valuations of the North East Scotland Pension Fund will consider the appropriate employee/employer's rate to meet the commitments of the Fund and the constituent authorities of the Board are required to fund the liabilities of the Board as they fall due. Accordingly, it has been considered appropriate to adopt a going concern basis for the preparation of these Annual Accounts.

MANAGEMENT COMMENTARY (continued)

Convener

Mark J Adam MRICS AEA (Cert – Scotland)
Assessor & Electoral Registration Officer

Lorraine Paisey CA
Treasurer

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The Board's Responsibilities

The Board is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Board has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In the Valuation Joint Board, that officer is the Treasurer to the Board.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and the Local Authority (Capital Finance and Accounting) (Scotland) (Coronavirus) Amendment Regulations 2021, and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government Scotland Act 2003).
- approve the Annual Accounts for signature.

The Treasurer's Responsibilities

The Treasurer to the Board is responsible for the preparation of the Board's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Accounting Code).

In preparing these annual accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation;
- complied with the local authority Accounting Code (in so far as it is compatible with legislation);
- kept adequate accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the Board at the reporting date and the transactions of the Board for the year ended 31 March 2022.

Lorraine Paisey CA
Treasurer

17 June 2022

Grampian Valuation Joint Board Annual Accounts 2021/22

ANNUAL GOVERNANCE STATEMENT

Scope of responsibility

The Board was established in terms of The Valuation Joint Boards (Scotland) Order 1995 and is the valuation authority for Aberdeen City Council, Aberdeenshire Council and Moray Council. The Board is responsible for the provision of valuation assessment services for local taxation purposes. Through an agreement to share services, the Board also provides electoral registration services for the same three constituent authorities.

The Board is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It must ensure that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

The Board is considered to be a local authority in terms of the Local Government etc. (Scotland) Act 1994 and has a duty to deliver continuous improvement as set out in the Local Government in Scotland Act 2003. In discharging this overall responsibility, the Board is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its valuation and registration functions. This includes arrangements for the management of risk.

Responsibility for delivery - members and officers

In terms of the above Order, the Board membership comprises 6 members appointed by Aberdeen City Council, 6 members appointed by Aberdeenshire Council and 3 members appointed by Moray Council.

To fulfil its operational role, the Board is responsible for the appointment of an Assessor, and Deputes as appropriate, in terms of section 27 of the Local Government etc. (Scotland) Act 1994. In practice the Assessor and Deputes manage the provision of valuation assessment and electoral registration services on a day-to-day basis, with the Board providing resources, a governance framework and a monitoring regime for financial and operational performance.

The Assessor is also appointed as the Electoral Registration Officer (ERO) for the Board's three constituent authorities. This too is a statutory position with the ERO and Deputes appointed in terms of section 8 of the Representation of the People Act 1983.

The Board has approved and adopted a local code of corporate governance that is reviewed biennially and is available at www.grampian-vjb.gov.uk

The purpose of the governance framework

The governance framework comprises the systems, processes, cultures and values by which the Board is directed and controlled, and the activities used to engage with the community. It enables the Board to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective valuation assessment and registration services.

The system of internal control is a significant part of that framework and is designed to manage risk to an acceptable level, and provide reasonable, but not absolute, assurance that the statutory requirements of the Assessor & ERO are met and policies, aims and objectives can be delivered. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Board's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

ANNUAL GOVERNANCE STATEMENT (continued)

The governance framework

The key elements of the systems and processes that comprise the Board's governance arrangements are described in terms of the seven principles of good governance defined in the framework and summarised as follows:

Governance Principle 1 - behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

The Board's code of conduct provides a clear standard in terms of conduct and behaviour, as does the Board's personnel related policies that deal with mainstreaming equalities into the fabric of the organisation, dignity of the individual, whistleblowing, special leave and personal development. These policies go beyond behavioural matters and reflect the positive approach to workforce development to the extent that career development schemes are in place across all three service strands: non-domestic property valuation assessment, domestic property valuation assessment and electoral registration. As such, career pathways are available to almost all staff.

In order to avoid duplication, the Board relies on the registers of interests and gifts maintained by the relevant constituent authorities for elected members. A register of interests has been established for all employees and a register of gifts is also maintained. The Assessor & ERO and Deputies are bound by the policies of the Board and must also adhere to the professional standards regime set by the Royal Institution of Chartered Surveyors (RICS).

Issues relating to actions taken or not taken by officials can be addressed through the organisation's complaints handling procedure. This procedure was updated in 2021 following the revision of the national Complaints Handling Procedures (CHP) scheme by the Scottish Public Services Ombudsman.

The organisation maintained its commitment to combating fraud during the year by assisting with the National Fraud Initiative. The Assessor & ERO also works closely with the Electoral Commission, the Electoral Management Board and Police Scotland. If necessary, suspected fraudulent registration or absent vote applications are referred to the Police Scotland single point of contact.

Governance Principle 2 - ensuring openness and comprehensive stakeholder engagement.

The Board's decision-making processes are well established with decisions concerning finance, performance and governance being taken by the Board. Standing orders and regulations govern how decisions are made and appropriate legal, financial and other professional advice is considered as part of the decision-making process.

At an operational level, stakeholder involvement falls within the domain of the Assessor & ERO.

The engagement work following the 2017 revaluation has continued with the focus being on appeal resolution and Non-Domestic Rating (NDR) reform. The Assessor & ERO's engagement strategy has been to maintain a high level of accessibility and visibility in the public domain. Significant changes in the information gathering regime took place during 2020/21 and a major project to ingather information in preparation for the 2023 revaluation got underway in 2021/22. As of 31 March 2022, in excess of 20,000 requests for information had been issued to proprietors, tenants and occupiers of property within the Grampian area.

ANNUAL GOVERNANCE STATEMENT (continued)

In a similar exercise to that carried out prior to the Scottish Parliament Election in 2021, Household Notification Letters (HNLs) were issued to all households in the Grampian area prior to the local government elections in May 2022. This encouraged citizens to register to vote and/or apply to vote by post should they wish to.

The online voting information page on the Board's website which was established in 2020/21 continues to be developed so users can easily access information or application forms for the service or action that they require. This has continued to be a well-used service and in a 10-week period leading up to the local government elections in May 2022, around 4,000 requests for assistance were made using this facility.

An initial venture into the realm of social media was established in 2021/22 with the creation of a Twitter account for the electoral registration service. This account is still in its infancy but it is intended to be developed to provide local electoral registration content to social media users.

The Board's performance management framework is reviewed regularly to drive continuous improvement and ensure effective monitoring of progress and outcomes against stated objectives. Reporting arrangements include regular updates to the Board, the Electoral Commission, the Electoral Management Board, the Cabinet Office, the Scottish Government, and online publication of annual performance reports.

Protocols are in place to meet requests made under the Freedom of Information Act and, through the Scottish Assessors Association, Assessors have established procedures to improve the response standards where common requests for information are made.

As part of the Equalities mainstreaming regime progress has been made towards capturing service user feedback that will inform future service design and delivery.

Governance Principle 3 - defining outcomes in terms of sustainable economic, social and environmental benefits.

The Board, being focussed around delivery of specialised valuation and registration services has a limited role to play in the wider community planning aspects anticipated by the governance framework set out by CIPFA/Solace. The Board is therefore conscious of the need to ensure that its mode of operation and the delivery of the valuation and registration services reflect the responsibilities towards the communities in Grampian in terms of devolved service delivery models that support the sustainability of communities across the whole region and minimise natural resource demands. In terms of the two specialised services the Board delivers, they are foundation stones to local government and democracy at local, national and international levels, as they provide the means to raise local taxation and to conduct elections/referendums.

Operational outcomes for these services are essentially driven by statute and it is pertinent to this governance principle to note that legislation has now been laid to reform local taxation³ and electoral registration⁴ and thus improve sustainability and economic and social benefits.

The pandemic and the organisation's response to it continued to be a focus for all stakeholders during 2021/22. The implementation of local taxation reforms has continued to be the subject of scrutiny during the last year and, through the work of the various committees of the Scottish

³ [Non-Domestic Rates \(Scotland\) Act 2020 \(legislation.gov.uk\)](https://legislation.gov.uk)

⁴ [Elections Act 2022 Stages - Parliamentary Bills - UK Parliament](#)

ANNUAL GOVERNANCE STATEMENT (continued)

Assessors Association, the Assessor and his team have continued to work with other stakeholders to ensure that the new system is implemented at a local and national level and is sustainable and effective. Work in connection with the new information gathering powers continued throughout 2021/22 and procedures are now in place to ensure that a comprehensive and robust information gathering regime is in place ahead of the revaluation of non-domestic properties effective from 1 April 2023.

After a period of significant legislative changes to address social and democratic inequalities, including the introduction of individual electoral registration in 2014, the enfranchisement of 16 and 17 year olds in Scotland in 2016, major reforms to the annual canvass in 2020 and the widening of the franchise in Scotland to include prisoners and non-European Union (EU) and non-Commonwealth foreign nationals during 2020⁵, electoral registration during 2021/22 was relatively settled. However, electoral registration officers, through the SAA Electoral Registration Committee, were represented on various groups involved in the development of procedures in connection with what is now the Elections Act 2022.

Governance Principle 4 - determining the interventions necessary to optimise the achievement of intended outcomes.

As a specialised outcome-orientated organisation, our activities of producing, maintaining, and defending Valuation Rolls, Valuation Lists and Electoral Registers essentially drive the organisation's agenda. The Board and the Assessor & ERO recognise the financial challenges they face and through established reporting arrangements ensure that Board members have full detail of resource inputs and performance outputs. Regular and detailed financial reports are made available to the Board and the outcomes for the organisation that are essentially driven by statute are monitored in terms of performance.

The Management Team focus on these outcomes and work closely to innovate and optimise them. Innovation and agility continued to be key requirements to maintain service delivery during 2021/22, particularly as the majority of colleagues remained working from home. Innovation and agility will remain key requirements during 2022/23 and beyond as NDR reforms continue to be implemented.

Governance Principle 5 - developing the entity's capacity, including the capability of its leadership and the individuals within it.

Roles of elected members and officers are clearly defined and constructive working relationships are achieved to ensure clear relationships between the Board, the Assessor & ERO, corporate stakeholders and the public.

Standing orders regulate the form and content of board meetings and the Board's financial regulations provide a framework for financial decisions. Performance reports are made at each board meeting and the Board's key performance indicators are subject to regular periodic review.

As part of its commitment to lifelong learning and to foster a personal development culture and seek to retain personnel, the organisation operates an internal recruitment procedure that encourages personal development and ultimately improve leadership capacity.

New employees receive induction training on arrival and in the majority of cases are able to participate in a career grade development scheme that seeks to promote personal and

⁵ [Scottish Elections \(Franchise and Representation\) Act 2020 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

ANNUAL GOVERNANCE STATEMENT (continued)

professional development. Surveyors, who are members of the Royal Institution of Chartered Surveyors (RICS), are subject to additional compulsory continuing professional development training that is monitored by the RICS.

The organisation's training officer is responsible for monitoring training provision and recording progress. The training officer is also responsible for identifying appropriate training opportunities.

During 2021/22, the organisation put forward its largest single cohort of candidates for the Association of Electoral Administrators Certificate in Electoral Administration, a welcome development which will ensure the organisation has a more qualified and knowledgeable workforce in what is a very specialised field.

Functions and roles of statutory posts including the Clerk, Treasurer and Assessor & ERO are clearly defined and the postholders work closely together to achieve the objectives of the organisation.

Governance Principle 6 - managing risks and performance through robust internal control and strong public financial management.

The Board's decision-making process is well established with governance, finance and performance issues being reported at board meetings that take place in public (unless exempt under statutory provision) and the board reports are published online and made available to the media. Rules and procedures govern how decisions are made and appropriate legal, financial and other professional advice is considered as part of the decision-making process. Scrutiny is secured through internal and external audit.

Decisions of the Assessor & ERO are subject to public scrutiny, scrutiny via appeal and complaint processes to the respective judicial bodies and external stakeholders that monitor performance such as the Electoral Commission and the Electoral Management Board for Scotland. In addition, the SAA website provides practice notes that provide details on how rateable values are determined and allows individual taxpayers to look up the assessment of every non-domestic and domestic property in Scotland and the valuations of an increasing number of different subject types.

The Board and the Assessor & ERO reported on performance to the Electoral Commission, the Cabinet Office, the Scottish Government and the Scottish Information Commissioner during 2021/22.

Risk management is a fundamental part of the organisation's decision-making process and as such is a standing item on the Assessor & ERO's management team agenda, with the Board reviewing the risk register on an annual basis.

To control and mitigate against risk, the Board's system of internal control is based on a framework of financial regulations that are revised and updated periodically and supplemented by regular management information, administrative procedures, management supervision and a code of corporate governance. Establishing and maintaining an effective system of internal control is a management function. The Board, through its consideration of reports by internal and external auditors, monitors the effectiveness of internal control procedures.

Policies to combat fraud, theft, bribery and corruption are in place, not only in order to protect public finance, but also to ensure the veracity of the statutory rolls, lists and registers that the Assessor & ERO is required to provide. The Assessor & ERO works closely with Police

ANNUAL GOVERNANCE STATEMENT (continued)

Scotland at a local and national level. IT resilience and effectiveness were strengthened during 2021/22 with Aberdeenshire Council's IT section taking responsibility for managing the Board's IT infrastructure and providing IT support to users. Further integration in this regard is planned for 2022/23.

A performance management system is in place which calls for reporting of established performance measures to the Board at quarterly intervals throughout the year. An annual Public Performance Report is also published.

The Board's governance arrangements have been developed and maintained to comply with the core functions of various good framework guidelines including Code of Practice on Managing the Risk of Fraud and Corruption, Public Sector Internal Audit Standards (incorporating the principles of the Role of the Head of Internal Audit), Audit Committees: Practical Guidance for Local Authorities and Police, etc.

Strong financial management procedures are secured through the work of the Treasurer appointed in terms of s95 of the Local Government (Scotland) Act 1973. This officer provides advice to the Board and the Assessor & ERO on all financial matters and ensures the timely production and reporting of budget estimates, budget monitoring reports and annual accounts.

Governance Principle 7 - implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Board business is conducted through an established cycle of quarterly meetings. These meetings were all held online during 2021/22. Meeting dates are published in advance. Reports follow a corporate style and include: the purpose of the report, information relevant to the matter under consideration, a conclusion and recommendations. Minutes of meetings are prepared by a member of Moray Council's Committee Services team on behalf of the Clerk and made available on Moray Council's website with links also available via the Board's website.

Information is disseminated in many forms and targeted at different audiences for different purposes, ranging from statutory returns that follow prescribed layouts, through to media releases and presentations which may be focussed on specific groups of service users. The organisation's website is regularly updated with news items to ensure that the Grampian community is kept up to date with pertinent information.

Assurance and accountability oversight is a key role for the Board which comprises members from a variety of political backgrounds. The Board receives reports on the work of the internal auditor and the external auditor placing particular focus on recommendations arising from audit work and on the corrective actions proposed by the officials of the Board.

Review of effectiveness of governance arrangements

The review of effectiveness of the governance framework including the system of internal control is pursued throughout the year by various means involving:

- **The Board**

In practice, governance arrangements are monitored over the year with Board meetings taking place four times during each year. The Board consists of members from each of the three councils and from across the political spectrum and considers reports on financial and

ANNUAL GOVERNANCE STATEMENT (continued)

operational performance and governance matters. It also examines the annual public performance and audit reports.

- **The Management Team**

The management team which has overall responsibility for good governance arrangements, currently comprises the Assessor & ERO, two Depute Assessors & EROs, three Assistant Assessors and the Principal Admin Officer. The management team has now reverted to meeting on a quarterly basis.

- **The Assessor & ERO**

The Assessor & ERO has the statutory responsibility for the Valuation Rolls, Valuation Lists and Electoral Registers. The Assessor is essentially the chief executive for the organisation and has a wide range of financial, personnel, governance and reporting responsibilities.

- **The Treasurer**

The Treasurer has statutory responsibility for the Board's financial affairs in terms of Section 95 of the Local Government (Scotland) Act 1973. This officer provides relevant financial advice and support to the Assessor & ERO and elected members at meetings of the Board and otherwise as required. The Board's financial management arrangements generally conform to the governance requirements of the CIPFA statement on the role of the chief financial officer, and whilst the Treasurer is not a member of the management team, she is actively involved in, and is able to influence, decision-making processes.

The Treasurer is responsible for ensuring that an effective system of internal financial control is maintained. The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or detected within a timely period.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. The system includes comprehensive budget setting and monitoring arrangements and the preparation of regular financial reports indicating actual expenditure against forecasts that are reported at each board meeting.

- **Internal Audit**

Internal Audit is an assurance function that primarily provides an independent and objective opinion to the Board on the control environment comprising risk management, internal control, and governance by evaluating its effectiveness in achieving the organisation's objectives.

It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

The Internal Audit Manager is accountable on a day-to-day basis to the Treasurer and to the Board. Internal Audit operates in accordance with Public Sector Internal Audit Standards and in line with the requirements of the Standards is subject to periodic external inspection.

ANNUAL GOVERNANCE STATEMENT (continued)

Internal audit and the subsequent report by the external auditors in their annual audit letter and in other reports, informs the effectiveness of the financial control environment as an element of the Board's governance arrangements. No fundamental control weaknesses were reported during the period covered by this statement. It is the opinion of the Audit and Risk Manager that reasonable assurance can be placed on the Board's internal financial control systems in place for the year ended 31 March 2022.

- **External Agencies**

In addition to the various internal review processes and the financial audit referred to above, there are a number of bodies that the organisation is required to report to/submit governance arrangement for approval. The Scottish Information Commissioner collects data on requests and responses under Freedom of Information and Environmental Information legislation and will intervene where it considers enforcement action is required. The Keeper of Records reviews and approves records management arrangements.

The way the organisation delivers its valuation and registration services is also subject to scrutiny by external agencies, with the valuation assessment aspect reported to the Scottish Government and subject to a case-by-case scrutiny on appeal and the Electoral Commission and Electoral Management Board reviewing and reporting on the performance of the ERO.

This organisation has possibly one of the largest service communities in the Grampian area providing registration services to over 448,000 citizens, and property valuation assessments for over 320,000 properties. Such a wide and comprehensive reach throughout the Grampian region also provides a barometer for the success or otherwise of the organisation's service delivery.

Significant governance issues

Securing good governance continues to be of prime importance to elected members, senior officials of the Board and members of the management team. It is a significant task, particularly at a time when budgets are under significant pressure and major changes such as NDR and electoral reform are being implemented.

In the 2020/21 governance statement, the key challenges facing the organisation for 2021/22 were to:

- Continue to meet all operational demands whilst not compromising employee or public safety during the Covid-19 pandemic.
- Continue to upgrade our operational capacity in terms of workforce, processes and IT systems to meet the challenges of moving to a 3-yearly revaluation cycle for Revaluation 2023.
- Maintain the drive to improve and streamline our governance arrangements, progress equalities mainstreaming and performance monitoring and complete the work to widen our existing customer consultation framework.
- Continue in the work to maximise the effectiveness of the new electoral registration system in order to capitalise upon information sources and build upon the groundwork of the 2021/22 online landing page to streamline voter contact and engagement.
- Continue to manage the resourcing required to ensure that this organisation meets all

- **ANNUAL GOVERNANCE STATEMENT (continued)**

statutory commitments.

The requirement to meet all operational demands whilst not compromising employee or public safety during the second year of the Covid-19 pandemic proved challenging. The workforce continued to be largely home-based and the development of plans to move back into offices during 2021 had to be reconsidered in light of government guidance. In contrast to some public sector bodies' responses to the pandemic, the organisation continued to offer a full range of communication options to service users during normal business hours, including telephone, email and post and continued to deliver services across all areas of operational activity. Site visits and door-to-door canvass activities resumed during 2021/22 with appropriate risk assessments and mitigation in place.

Workforce recruitment proved successful for administrative and technical posts during 2021/22 but despite multiple rounds of advertising, recruitment of suitably qualified valuation staff has been less so. Development of IT systems has continued as has the adaptation of working practices to meet the challenges of working from home. Lessons learned from this will inform future process changes and IT developments.

Work to improve and streamline governance arrangements, progress mainstreaming and performance monitoring and widen the customer consultation framework continued to be slow. The availability of HR resources remained at a reduced level and continued to have an impact on the refresh of governance policies. Progress has however been made in the latter stages of 2021/22 and will continue during 2022/23 and beyond.

Progress to optimise the new electoral registration system was not as significant as hoped but we are now in a better position to investigate and assess the benefit of additional information sources during 2022/23.

The organisation continued to face challenges during 2021/22 but has learned from the experiences of the challenges from 2020/21, including the delivery of registration services ahead of the local government elections in May 2022 while staff remained home-based. Although challenging, non-domestic appeal disposal by the revised deadline 31 December 2021 was successful and preparation work for the 2023 Revaluation is well underway. The variation and rescheduling of the demands on the organisation do challenge resource management but close monitoring, management and reporting along with a degree of flexibility ensured that appropriate resourcing was in place and that all commitments were met.

COVID-19

The Covid-19 pandemic impacted the way we delivered our business-as-usual services during 2021/22, and this continues into 2022/23. The desire to keep staff and customers safe during this period, while at the same time delivering our statutory services and adhering to government guidance, was at the forefront of the decisions that we made. The logistics of this meant that significant changes in how and where we delivered our services had to be considered and implemented. As we emerge from the pandemic, like other public sector organisations, we aim to maintain our resilience to the challenges arising from it and ensure that the organisation and our people are in the best possible shape going forward.

Looking ahead the key challenges for 2022/23 are:

- Continue to meet all operational demands whilst not compromising employee or public safety as we exit the Covid-19 pandemic.

ANNUAL GOVERNANCE STATEMENT (continued)

- Continue to upgrade our operational capacity in terms of workforce, processes and IT systems to meet the challenges of moving to a 3-yearly revaluation cycle.
- Upgrade systems and working practices to deal with the new 2 stage proposal and appeal system which comes into force on 1 January 2023.
- Maintain the drive to improve and streamline our governance arrangements, progress equalities mainstreaming and performance monitoring and complete the work to widen our existing customer consultation framework.
- Continue the work to maximise the effectiveness of the electoral registration system in order to capitalise upon information sources and to enhance and develop the online voting information pages of our website to streamline voter contact and engagement.
- Manage the resources that will be required to manage the changes brought in by the Elections Act 2022.
- Continue to manage the resourcing required to ensure that this organisation meets all statutory commitments.

Concluding Remarks

In our respective roles as Convener of the Board and Assessor & ERO, we are committed to good governance and recognise the contribution it makes to securing delivery of service outcomes in an effective and efficient manner. This annual governance statement summarises current governance arrangements, provides evidence of progress and affirms our commitment to ensuring that the Board's governance framework is responsive to the dynamic and challenging environment in which we serve.

REMUNERATION REPORT

This report has been written to provide details of the Grampian Valuation Joint Board's remuneration arrangements for its senior councillors and senior employees. This is required under the Local Authority Accounts (Scotland) Amendment Regulations 2014.

All information disclosed in the tables 1 to 6 in this Remuneration Report is audited by the external auditors, Audit Scotland. The other sections of the Remuneration Report are reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

Remuneration of Councillors, Senior Councillors, Convener and Depute Convener

The remuneration of councillors is regulated by The Local Governance (Scotland) Act 2004 (Remuneration and Severance Payments) Amendment Regulations 2018. These regulations set out the amounts a councillor may be paid for being a Convener or Depute Convener of a Joint Board. This is inclusive of any amounts payable to them as either a councillor or senior councillor of their own Local Authority.

The Board consists of 15 members comprising 6 from Aberdeen City Council, 6 from Aberdeenshire Council and 3 from Moray Council. The local authority of which the Convener or Depute Convener is a member pays the remuneration appropriate to the member's work with the Joint Board. Conveners receive a remuneration which when added to their existing remuneration as a Councillor/Senior Councillor equals 75 percent of the Leader of a "Band A" council, i.e. £23,257 per annum. The Depute Convener's remuneration is calculated on the basis of the basic salary plus 75 percent of the difference between the basic salary and the Convener's salary, i.e. £22,095 per annum. These rates are effective for the year ending 31 March 2022.

The Board has an arrangement with each Council which remunerates the Convener and Depute Convener/s to reimburse the Council for the additional costs of that councillor arising from them being a Convener or Depute Convener of the Board.

Councillor Leadbitter was Convener of the Grampian Valuation Joint Board during the year. He received a Special Responsibility Allowance from Moray Council. This allowance is paid for in full by Moray Council and will be included in their remuneration report. Consequently no additional award is due for undertaking duties for the Valuation Board.

Councillor Cormie was Depute Convener. The Board pays a Special Responsibility Allowance to the Depute Convener of the Board. Details of his salary are included in the remuneration report for Aberdeen City Council.

All other Councillors' expenses are paid directly by the authority that they serve and will also be included in the individual authority's remuneration report.

Remuneration of Senior Councillors, Convener and Depute Convener (Table 1)

Councillor Name and Responsibility	Total Remuneration 2020/21	Salary, fees and allowances	Total Remuneration 2021/22
	£	£	£
Councillor Cormie Depute Convener	3,350	3,491	3,491
Total	3,350	3,491	3,491

No taxable expenses were paid in 2021/22 or in 2020/21.

Remuneration of Councillors (Table 2)

Grampian Valuation Joint Board paid the following salaries, allowances and expenses for all councillors (including senior councillors) during the year. It includes expenses met directly by the Board and expenses reimbursed to Councillors.

Type of Remuneration	2020/21	2021/22
	£	£
Salaries	3,350	3,491
TOTAL	3,350	3,491

Remuneration of Senior Employees

The Local Authority Accounts (Scotland) Amendment Regulations 2014 require remuneration information to be disclosed for senior employees as defined below:

- i. A person who has responsibility for the management of a local authority to the extent that the person has power to direct or control the major activities of the authority whether solely or collectively with other persons.
- ii. A person who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989.
- iii. A person whose annual remuneration, including any annual remuneration from a local authority subsidiary body is £150,000 or more.

These regulations apply equally to Joint Boards and remuneration disclosure is therefore required for the Assessor and Electoral Registration Officer (ERO) and two Depute Assessor and Depute Electoral Registration Officers who are deemed to be senior employees for the Grampian Valuation Joint Board. Details are shown on Table 3 below.

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) sets the terms and conditions and pay bandings for senior employees but remuneration levels and pay scales are set locally and were last agreed by the Board on 23 January 2004.

Remuneration of Senior Employees of the Board (Table 3)

Name and Post Title	Total Remuneration 2020/21	Salary, fees and allowances 2021/22	Taxable Expenses 2021/22	Total Remuneration 2021/22
	£	£	£	£
Mark Adam Depute Assessor & ERO (until 31/5/21) Assessor & ERO (from 1/6/21)	82,504	122,264	822	123,086
Ian Milton Assessor & ERO (left 31/5/21)	116,066	19,209	137	19,346
Gavin Oag Depute Assessor & ERO	91,061	104,062	822	104,884
Jim Barron Depute Assessor & ERO (from 1/10/21)	-	71,903	815	72,718
TOTAL	289,631	317,438	2,596	320,034

The Treasurer and the Clerk to the Board do not receive remuneration from the Valuation Joint Board. The duties of the posts are covered by the post holders' substantive posts in Moray Council. Details of their salaries are included in the remuneration report for Moray Council.

Pension Benefits

Pension benefits for Councillors and Local Government employees are provided through the North East Scotland Pension Fund, a Local Government Pension Scheme (LGPS).

Councillors' pension benefits are based on career average pay. For benefits earned up to 31 March 2022, the councillor's pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day in the month in which their membership of the scheme ends. The total of the revalued pay is then divided by the year of membership to calculate the career average pay. This is the value used to calculate the pension benefits.

The Board pay a contribution to the Pension Fund for the Convener and Depute Convener's pensions if they are members of the scheme and this is based on a percentage of the cost of the Special Responsibility Allowance. Details are shown on Table 4 below.

For local government employees, up until 31 March 2015 pension benefits accrued are based on final salary. This means that pension benefits are based on the final year's pay and the number of years that person has been a member of the scheme. Benefits earned from 1 April 2015 are based on 'career average'. The scheme's normal retirement age for both councillors and employees is 65 for benefits up to 31 March 2015 and the State Pension Age for benefits built up after 1 April 2015.

The Scottish Public Pension Authority issued a table for the amended 2021/22 employee contribution rates, to be used from 1st April 2020, using the member's actual take home pay as at 1st April 2020. Prior to this, from 1 April 2009, a five tier contribution system was used, with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contributions rates were set at 6% for all non-manual employees.

If a person works part-time, their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

A LGPS member's contribution depends upon his or her full time equivalent pay. The tables of rates for 2020/21 and 2021/22 are shown below.

Pension Benefits (continued)

Tiered Contribution Pay Rates

Whole time pay 2020-21	Contribution rate 2020/21	Whole time pay 2021-22	Contribution rate 2021/22
On earnings up to and including £22,852	5.50%	On earnings up to and including £22,955	5.50%
On earnings above £22,853 and up to £29,683	Between 5.6% - 6.0%	On earnings above £22,956 and up to £29,857	Between 5.6% - 6.0%
On earnings above £29,684 and up to £37,262	Between 6.1% - 6.5%	On earnings above £29,858 and up to £37,474	Between 6.1% - 6.5%
On earnings above £37,263 and up to £52,567	Between 6.6% - 7.5%	On earnings above £37,475 and up to £52,876	Between 6.6% - 7.5%
On earnings above £52,568 and up to £59,221	Between 7.6% - 8.0%	On earnings above £52,877 and up to £59,569	Between 7.6% - 8.0%
On earnings above £59,222 and up to £79,296	Between 8.1% - 9.0%	On earnings above £59,570 and up to £79,762	Between 8.1% - 9.0%
On earnings above £79,297 and up to £119,961	Between 9.1% - 10.0%	On earnings above £79,763 and up to £120,666	Between 9.1% - 10.0%
On earnings above £119,962	10.1% and over	On earnings above £120,667	10.1% and over

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) some pension for a lump sum up to the limit set by the Finance Act 2004. Up until 31 March 2015, the accrual rate guarantees a pension based on 1/60th of the final pensionable salary and years of pensionable service. (Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of the final pensionable salary and years of pensionable service). From 1 April 2015, the accrual rate guarantees a pension of 1/49th of pensionable pay for each year. At the end of each year the benefits are revalued and increased by inflation.

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as a consequence of their local government service, and not just their current appointment.

Pension Benefits (continued)

Senior Councillors (Table 4)

	In-year pension contributions	
	For the year to 31 March 2021	For the year to 31 March 2022
	£	£
Councillor Cormie Depute Convener	647	625
Total	647	625

The above amounts show the in-year contributions relating to the Special Responsibility Allowance shown in Table 1. The total pension benefits relating to Councillor Cormie are detailed in the remuneration report of Aberdeen City Council.

Senior Employees (Table 5)

The pension entitlements of Senior Employees for the year to 31 March are shown in the table below, together with the contribution made by the Board to each Senior Employees' pension during the year.

	In-year pension contributions			Accrued pension benefits	
	For the year to 31 March 2021	For the year to 31 March 2022		As at 31 March 2022	Difference from March 2021
	£	£		£	£
Mark Adam Depute Assessor & ERO (until 31/3/21) Assessor & ERO (from 1/6/21)	15,737	21,330	Pension	55,773	13,920
			Lump Sum	96,791	25,240
Ian Milton Assessor & ERO (left 31/5/21)	22,217	3,703	Pension	61,498	392
			Lump Sum	106,666	-
Gavin Oag Depute Assessor & ERO	17,391	17,584	Pension	44,218	2,530
			Lump Sum	65,707	578
Jim Barron Depute Assessor & ERO (from 1/10/21)	-	7,981	Pension	31,997	31,997
			Lump Sum	47,433	7,623
Total	39,608	29,268		357,519	43,120

Pension Benefits (continued)

All senior employees shown in the tables above are members of the North East Scotland Pension Fund. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service and not just their current appointment.

General Disclosure by Pay Band

The Regulations require information to be provided for the number of persons whose remuneration is £50,000 or more. This information is disclosed in bands of £5,000 and is shown below.

General Disclosure by Pay Band (Table 6)

The Table includes the remuneration of the senior employees detailed in Table 3.

Remuneration Band	Number of Employees	
	2020-21	2021-22
£50,000 - £54,999	8	5
£55,000 - £59,999	1	1
£60,000 - £64,999	3	1
£70,000 - £74,999	-	1
£80,000 - £84,999	1	-
£90,000 - £94,999	1	-
£100,000 - £104,999	-	1
£115,000 - £119,999	1	-
£120,000 - £124,999	-	1
	15	10

Convener

Mark J Adam MRICS AEA (Cert - Scotland)
Assessor & Electoral Registration Officer

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

This Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. This differs from the expenditure to be funded from the requisitions raised by the Board from the three constituent Local Authorities in accordance with statute. The effect on the General Fund is shown in the Movement in Reserves Statement and Note 7 Expenditure and Funding Analysis and Adjustments between Accounting Basis and Funding Basis under Regulations.

		2020/21				2021/22	
£000	£000	£000			£000	£000	£000
Expenditure	Income	Net		Note	Expenditure	Income	Net
4,598	(379)	4,219	Rating and Council Tax Valuation and Electoral Registration		4,762	(200)	4,562
4,598	(379)	4,219	Cost Of Services		4,762	(200)	4,562
96	(1)	95	Financing and Investment Income and Expenditure	10	-	(13)	(13)
		(4,042)	Requisitions and Non-Specific Grant Income	20			(4,339)
		272	Deficit/(Surplus) on Provision of Services	8			210
		(4,603)	Remeasurement of the Net Defined Benefit Liability	23			49
		(4,603)	Other Comprehensive (Income) and Expenditure				49
		(4,331)	Total Comprehensive (Income) and Expenditure				259

MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

This Statement shows the movement in the year on the different reserves held by the Board, analysed into usable reserves (those that can be applied to fund expenditure) and unusable reserves. The Statement shows how the movements in the year are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable against requisitions for the year. The Increase or Decrease line shows the statutory General Fund movements in the year.

2020/21	General Fund £000	Total Usable Reserves £000	Unusable Reserves (Note 16) £000	Total Board Reserves £000
Balance at 31 March 2020	314	314	(3,647)	(3,333)
Total Comprehensive Income and Expenditure	(272)	(272)	4,603	4,331
Adjustments to usable reserves permitted by accounting standards	5	5	(5)	-
Adjustments between accounting basis & funding basis under regulations (Note 7)	331	331	(331)	-
Increase / (Decrease) in Year	64	64	4,267	4,331
Balance at 31 March 2021	378	378	620	998
2021/22	General Fund £000	Total Usable Reserves £000	Unusable Reserves (Note 16) £000	Total Board Reserves £000
Balance at 31 March 2021	378	378	620	998
Total Comprehensive Income and Expenditure	(210)	(210)	(49)	(259)
Adjustments to usable reserves permitted by accounting standards	5	5	(5)	-
Adjustments between accounting basis & funding basis under regulations (Note 7)	454	454	(454)	-
Increase / (Decrease) in Year	249	249	(508)	(259)
Balance at 31 March 2022	627	627	112	739

BALANCE SHEET AS AT 31 MARCH 2022

The Balance Sheet shows the value as at the Balance Sheet date of assets and liabilities recognised by the Board. The net assets of the Board (assets less liabilities) are matched by the reserves held by the Board.

31 March 2021			31 March 2022
£000		Note	£000
748	Property, Plant & Equipment	11	728
8	Other Long Term Assets	23	-
756	Long Term Assets		728
39	Short Term Debtors	12	90
1,367	Cash and Cash Equivalents	13	1,380
1,406	Current Assets		1,470
(1,164)	Short Term Creditors	14	(957)
(1,164)	Current Liabilities		(957)
-	Other Long Term Liabilities	23	(502)
-	Long Term Liabilities		(502)
998	Net Assets/(Liabilities)		739
	Usable reserves	16	
378	General Fund		627
378	Total		627
	Unusable Reserves	17	
252	Revaluation Reserve		247
495	Capital Adjustment Account		480
8	Pensions Reserve		(502)
(135)	Employee Statutory Adjustment Account		(113)
620	Total		112
998	Total Reserves		739

The notes on Pages 39 to 66 form part of the Financial Statements.

Lorraine Paisey CA
Treasurer

17 June 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

The Cash Flow statement shows the changes in cash and cash equivalents of the Board during the financial year. The statement shows how the Board generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Board are funded by way of requisition and grant income or from the recipients of services provided by the Board. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Board's future service delivery, i.e. assets.

31 March 2021		31 March 2022
£000		£000
	(272) Net deficit on the provision of services	229
1,036	Adjust net deficit on the provision of services for non cash movements (Note 19)	(203)
<u>764</u>	Net cash flows from Operating Activities	<u>26</u>
	(48) Investing Activities	(13)
<u>716</u>	Net increase/(decrease) in cash and cash equivalents	<u>13</u>
651	Cash and cash equivalents at the beginning of the financial year	1,367
<u>1,367</u>	Cash and cash equivalents at the end of the financial year	<u>1,380</u>

NOTES TO THE ACCOUNTS

Note 1 Accounting Policies

1 General Principles

The Annual Accounts summarise the Board's transactions for the 2021/22 financial year and its position at the year-end of 31 March 2022. The Board is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014, which section 12 of the Local Government in Scotland Act 2003 requires to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and the Service Reporting Code of Practice 2021/22, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. The principal accounting policies have been applied consistently throughout the year. The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the revaluation of property, plant and equipment.

2 Accruals of Income and Expenditure

Income and expenditure are accounted for in the year in which they take place, not simply when cash payments are made or received. Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where the debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

3 Charges to Revenue for Non-Current Assets

The service is charged with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.

4 Requisitions and Contributions

Requisitions and contributions relating to capital and revenue expenditure are accounted for on an accruals basis and recognised immediately in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition(s) (as opposed to restrictions) that the Board has not satisfied.

5 Cash and Cash Equivalents

The Board uses Moray Council's bank account for financial transactions and the balance is invested in the Council's Loans Fund. This balance is repayable on demand and therefore treated as a cash equivalent and is included in the Balance Sheet at amortised cost, which equates to the actual cash value at 31 March 2022.

Note 1 (continued)

6 Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Board. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year.

7 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Board to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis in the Comprehensive Income and Expenditure Statement at the earlier of when the Board can no longer withdraw the offer of those benefits or when the Board recognises costs for a restructuring.

8 Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received.

9 Value Added Tax

VAT is included in the Comprehensive Income and Expenditure Statement only to the extent that it is irrecoverable. The net amount due to or from HM Revenue and Customs in respect of VAT is included as part of debtors or creditors.

10 Reserves

The Board sets aside specific amounts as reserves for future policy purposes. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against requisitions for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, retirement and employee benefits and do not represent usable resources for the Board.

Note 2 Accounting Standards That Have Been Issued But Have Not Yet Been Adopted

The Code requires the Board to identify any accounting standards that have been issued but have yet to be adopted and could have a material impact on the accounts. This applies to the adoption of the following new or amended standards within the 2021/22 Code:

- Annual Improvements to IFRS Standards 2018-2020. The annual IFRS improvement programme notes 4 changed standards:
 - IFRS 1 First time adoption
 - IAS 37 Onerous Contracts
 - IFRS 16 Leases
 - IAS 41 Agriculture

The Code requires implementation from 1 April 2022 and there is, therefore, no impact on the 2021/22 Financial Statements.

The above amendments are not anticipated to have a material impact on the information provided in the Financial Statements.

Note 3 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Treasurer has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Annual Accounts are:

- Assets held at current value are revalued on a five year basis as set out in the accounting policy for Property, Plant and Equipment. Moray Council's Estates Manager, who undertakes valuations on behalf on the Board and is a qualified RICS valuer, asserts that the carrying amount does not materially differ from that which would be determined using current value.

Note 4 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Annual Accounts contains estimated figures that are based on assumptions made by the Board about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Board's Balance Sheet at 31 March 2022 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Note 4 (continued)

Item	Uncertainties	Effect if Actual Results Differ From Assumptions
Pension Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.	The effects on the net pensions liability of changes in individual assumptions can be measured and are detailed in Note 23.

Note 5 Material Items of Income and Expenditure

Where material items of income and expenditure are not disclosed on the face of the Comprehensive Income and Expenditure Statement, the Code requires that the nature and amount of these items are disclosed in a note to the accounts. The following items are regarded as material:

	2020/21	2021/22
Nature	£000	£000
Grant income from the UK Government for Individual Electoral Registration (IER)	232	-
Grant income from the Scottish Government	134	186
Barclay Implementation Funding (included in requisitions)	117	453

Grant income from the Scottish Government was used in 2021/22 for preparing for the Local Government elections in May 2022. The Barclay Implementation Funding was paid to the three local authorities, and requisitioned in full by the Board, to implement the recommendations from the Barclay review of Non Domestic Rates. Unspent Barclay Funding in 2021/22 will be put to the earmarked reserve and used in future years.

Note 6 Events After The Reporting Period

The unaudited Annual Accounts were issued on 17 June 2022 by Lorraine Paisey, Treasurer. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 7 Expenditure and Funding Analysis and Adjustments between Accounting Basis and Funding Basis under Regulations

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (requisitions and government grants) by the Board in comparison with those resources consumed by the Board in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making.

Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

31 March 2021					31 March 2022				
Net Expenditure chargeable to General Fund £000	Adjustments between Funding and Accounting Basis £000	Adjustments to usable reserves permitted by accounting standards £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000		Net Expenditure chargeable to General Fund £000	Adjustments between Funding and Accounting Basis £000	Adjustments to usable reserves permitted by accounting standards £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000	
3,979	235	5	4,219	Rating and CT valuation & Electoral Registration	4,098	459	5	4,562	
3,979	235	5	4,219	Net Cost of Services	4,098	459	5	4,562	
(4,043)	96	-	(3,947)	Other Income and Expenditure	(4,347)	(5)	-	(4,352)	
(64)	331	5	272	(Surplus) or Deficit	(249)	454	5	210	
(314)				Opening Balance	(378)				
(64)				(Surplus) or Deficit	(249)				
(378)				Closing Balance	(627)				

Note 7 (continued)

Adjustments between the Funding and Accounting Basis

	2020/21			
	Adjustment for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
Rating and CT valuation & Electoral Registration	(23)	222	36	235
Net Cost of Services	(23)	222	36	235
Other Income and Expenditure	-	96	-	96
Difference between the General Fund Deficit and the Comprehensive Income and Expenditure Statement (Surplus) or Deficit	(23)	318	36	331

	2021/22			
	Adjustment for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
Rating and CT valuation & Electoral Registration	15	466	(22)	459
Net Cost of Services	15	466	(22)	459
Other Income and Expenditure	-	(5)	-	(5)
Difference between the General Fund Deficit and the Comprehensive Income and Expenditure Statement (Surplus) or Deficit	15	461	(22)	454

Note 7 (continued)

a) Adjustments for Capital Purposes

This column adds in depreciation and impairment and revaluation gains and losses in the services line.

b) Net Change for the Pensions Adjustments

This column reflects the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related income and expenditure.

For the service this reflects the removal of the employer pension contributions made by the Board as allowed by statute and the replacement with current service costs and past service costs.

c) Other Differences

This column adjusts for differences between the amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable recognised under statute.

For the service this reconciles the impact of accruals for accumulating compensated absences e.g. holiday pay as required by IAS19 Employee Benefits, to the salaries actually payable in the financial year in accordance with statute.

Note 8 Expenditure and Income Analysed by Nature

The Board's expenditure and income is analysed as follows:

Expenditure and Income

	2020/21 £000	2021/22 £000
	Rating, Council Tax Valuation and Electoral Registration	Rating, Council Tax Valuation and Electoral Registration
Employee benefit expenses	3,311	3,530
Other service expenses	1,194	1,137
Support service recharges	63	62
Depreciation, amortisation and impairment	30	33
Interest payments	96	-
Total Expenditure	4,694	4,762
Requisitions	(4,042)	(4,339)
Government grants and other service income	(379)	(200)
Interest and investment income	(1)	(13)
Total Income	(4,422)	(4,552)
(Surplus) or deficit on the provision of services	272	210

Note 9 Earmarked Portions of the General Fund

Portions of the General Fund are earmarked for specific purposes as described below. Underspends or overspends against budget for these activities are transferred in or out of the earmarked funds at the year end.

	General Services £000	NDR Reform £000	Total £000
Balance at 31 March 2021	235	143	378
Increase/(Decrease) 2021/22	(16)	265	249
Balance at 31 March 2022	219	408	627

NDR Reform

The purpose of this fund is to ring-fence funding received from constituent authorities to implement reforms from the Barclay Report which followed a review into the non-domestic rates system in Scotland. The Non-Domestic Rates (Scotland) Bill took effect from 1 April 2020.

Note 10 Financing and Investment Income and Expenditure

	2020/21 £000	2021/22 £000
Pensions interest cost and expected return on pensions assets	96	-
Interest receivable and similar income	(1)	(13)
	95	(13)

Note 11 Property, Plant and Equipment

Recognition

All expenditure on the acquisition, creation, enhancement or replacement of an asset or part of an asset is capitalised, providing the asset yields benefit for more than one year to the Board and the services it provides and the cost can be reliably measured.

Where a component is replaced or restored, the carrying amount of the old component is derecognised and the new component reflected in the carrying amount.

Measurement

New assets are measured at cost. Cost includes the original purchase of the asset and the costs attributable to bringing the assets to its working condition for its intended use.

Assets are measured at current value which is Existing Use Value for Land and Buildings and Depreciated Historic Cost for Equipment and Furniture which is used as a proxy for current value.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when an asset is disposed of or when no future economic benefits or service potential are expected from its use. The value of the asset in the Balance Sheet and any receipt is written to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

The gain or loss on disposal is not a charge against Requisitions, as the cost of non current assets is fully provided for under separate arrangements for Capital Financing. The carrying amount of the non current asset disposal is transferred to the Capital Adjustment Account and the disposal proceeds transferred to the Capital Fund and reported in the Movement in Reserves Statement.

Note 11 (continued)

Depreciation

Depreciation is provided for on all items of property, plant and equipment with a finite useful life by the systematic allocation of their depreciable amount over their useful lives. An exception is made for land where it can be demonstrated that it has an unlimited useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Depreciation is calculated using the straight-line method. In the year of acquisition, a full year's depreciation is provided for on all assets. In the year of disposal, no depreciation is charged.

The following useful lives and depreciation rates have been used in the calculation of depreciation:-

Other Land & Buildings - 35-60 years, land is not depreciated

Vehicles, Plant, Furniture & Equipment - 10 years

Impairment

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised.

Where an impairment loss is reversed subsequently, the reversal is credited to the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Revaluations

The Board carries out a valuation programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years. The last revaluation of Land and Buildings was done with effect from 1 April 2018 and the next revaluation is scheduled during 2023/24. All valuations were carried out by Moray Council's Head of Estates in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on depreciated historic cost as a proxy for current values.

Note 11 (continued)

	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Total Property, Plant and Equipment £000
Cost or valuation			
At 1 April 2020	696	290	986
Additions	-	49	49
At 31 March 2021	696	339	1,035
Accumulated Depreciation and Impairment			
At 1 April 2020	28	228	256
Depreciation charge at 31 March 2021	15	16	31
	43	244	287
Net Book Value			
at 31 March 2020	668	62	730
at 31 March 2021	653	95	748
Cost or valuation			
At 1 April 2021	696	339	1,035
Additions	-	13	13
At 31 March 2022	696	352	1,048
Accumulated Depreciation and Impairment			
At 1 April 2021	43	244	287
Depreciation charge at 31 March 2022	15	18	33
	58	262	320
Net Book Value			
at 31 March 2021	653	95	748
at 31 March 2022	638	90	728

Note 12 Short Term Debtors

	2020/21	2021/22
	£000	£000
Prepayments	39	90
	39	90

Note 13 Cash and Cash Equivalents

	2020/21	2021/22
	£000	£000
Temporary Investment in the Moray Council Loans Fund	1,367	1,380

Note 14 Short Term Creditors

	2020/21	2021/22
	£000	£000
Trade Payables	221	228
Other Payables	943	729
	1,164	957

Note 15 Financial Instruments

Classifications

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Board and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Board.

The majority of the Board's financial liabilities held during the year are measured at amortised cost and comprised:

- Creditors for requisitions due to be returned to constituent authorities
- Trade payables for goods and services received

Financial Assets

A financial asset is a right to future economic benefits controlled by the Board that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Board. The financial assets held by the Board during the year are accounted for under the following classification:

- Amortised cost (where cash flows are solely payments of principal and interest and the business model is to collect those cash flows) comprising:
 - temporary investment in the Moray Council Loans Fund
 - trade receivables for goods and services provided

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Board.

Financial Instruments – Balances

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories:

	2020/21	2021/22
	£000	£000
Short Term Creditors - Amortised Cost	630	343

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

	2020/21	2021/22
	£000	£000
Temporary Investment in the Moray Council Loans Fund	1,367	1,380

Note 16 Usable Reserves

General Fund

The creation of a General Fund was introduced to provide the Assessor with some flexibility to investigate any spend-to-save projects which would require one-off expenditure in order to deliver future budget savings. The reserve also acts as a contingency for any unexpected costs in future years. Details of the earmarked reserve can be found in Note 9.

	2020/21	2021/22
Usable Reserves	£000	£000
General Fund	235	219
Earmarked NDR Reform Reserve	143	408
	<hr/> 378	<hr/> 627

Note 17 Unusable Reserves

	2020/21	2021/22
	£000	£000
Revaluation Reserve	252	247
Employee Statutory Adjustment Account	(135)	(113)
Capital Adjustment Account	495	480
Pension Reserve	8	(502)
	<hr/> 620	<hr/> 112

Note 17 (continued)

Revaluation Reserve

The Revaluation Reserve contains gains made by the Board arising from increases in the value of its Property, Plant and Equipment.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2020/21	2021/22
	£000	£000
Balance at 1 April	257	252
Revaluations		
Difference between fair value depreciation and historical cost depreciation written off to the Capital Adjustment Account	(5)	(5)
Balance at 31 March	252	247

Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2020/21	2021/22
	£000	£000
Balance at 1 April	(99)	(135)
Settlement or cancellation of accrual made at the end of the preceding year	99	135
Amounts accrued at the end of the current year	(135)	(113)
Balance at 31 March	(135)	(113)

Note 17 (continued)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

	2020/21 £000	2021/22 £000
Balance at 1 April	472	495
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement		
Charges for depreciation and impairment of non-current assets	(30)	(33)
Adjusting amounts written out of the Revaluation Reserve	5	5
Net written out amount of the cost of non-current assets consumed in the year	(25)	(28)
Capital financing in the year:		
Use of government grant to finance new capital expenditure	29	-
Capital Expenditure charged against the General Fund	19	13
Balance 31 March	495	480

Note 17 (continued)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Board accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Board makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The credit balance on the Pensions Reserve therefore shows a small surplus in the benefits earned by past and current employees and the resources the Board has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2020/21	2021/22
	£000	£000
Balance at 1 April	(4,277)	8
Remeasurements of the net defined benefit liability/asset	4,603	(49)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(774)	(927)
Employer's pensions contributions and direct payments to pensioners payable in the year	456	466
Balance at 31 March	8	(502)

Note 18 External Audit Costs

The agreed external audit fee for 2021/22 was £0.008m for work undertaken in accordance with the Code of Audit Practice (2020/21 £0.008m).

Note 19 Cashflow – Analysis of Net Deficit on the provision of services for non cash movements

	2020/21	2021/22
	£000	£000
Depreciation/Impairment charges	(30)	(33)
Pension Liability	(318)	(461)
Increase/(Decrease) in Debtors	-	51
Decrease/(Increase) in Creditors	(688)	207
	<u>(1,036)</u>	<u>(236)</u>

Note 20 Requisition and Grant Income

The Board credited the following requisitions to the Comprehensive Income and Expenditure Statement. The requisitions are based on population.

	2020/21	2021/22
	£000	£000
Credited to Requisitions and Non Specific Grant Income:		
Requisition from Aberdeen City Council	1,831	1,890
Requisition from Aberdeenshire Council	2,104	2,160
Requisition from Moray Council	768	792
	<u>4,703</u>	<u>4,842</u>
Returned to constituent authorities:		
Aberdeen City Council	(161)	(196)
Aberdeenshire Council	(185)	(225)
Moray Council	(68)	(82)
	<u>(414)</u>	<u>(503)</u>
Returned to Scottish Government (NDR)	<u>(247)</u>	<u>-</u>
Total Requisition & Grant Income	4,042	4,339

Note 21 Leases

Operating Leases – Board as Lessee

Operating lease payments are reflected in the Cost of Services heading in the Comprehensive Income and Expenditure Statement, as the rentals become payable. The Board does not have any finance leases.

The Board pays Aberdeenshire Council for the rental of their offices within Woodhill House under the terms of an operating lease. The amount paid under these terms in 2021/22 was £0.125m (£0.125m in 20/21).

The future minimum lease payments due under non-cancellable leases in future years are:

Note 21 (continued)

	2020/21 £000	2021/22 £000
Not later than one year	125	125
Later than one year and not later than five years	500	500
More than five years	125	-
	750	625

Note 22 Related Parties

The Board is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Board or to be controlled or influenced by the Board. Disclosure of these transactions allows readers to assess the extent to which the Board might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Board.

Constituent Authorities

The constituent authorities have the potential to control or influence the Board as they provide the majority of the Board's funding. Details are shown in Note 20. The Board also made payments to the constituent authorities in the normal course of business. The amounts are detailed below:

	2020/21 £000	2021/22 £000
Aberdeen City Council	78	78
Aberdeenshire Council	208	323
Moray Council	90	91

The amounts owed to the constituent authorities for requisitions and normal business activities at 31 March were:

Aberdeen City Council	162	196
Aberdeenshire Council	194	225
Moray Council	144	159

Members

Members of the Board have direct control over the Board's financial and operating policies. The total of members' allowances paid is shown in the Remuneration Report. There were no other material transactions with members other than the allowances shown in the Remuneration Report.

Note 23 Defined Benefit Pension Scheme

Participation in Pension Scheme

As part of the terms and conditions of employment of its officers, the Board makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until the employees retire, the Board has a commitment to make the payments for those benefits and must disclose them at the time that employees earn their future entitlement.

The Board participates in the North East Scotland Pension Fund (NESPF), a Local Government Pension Scheme, which is administered by Aberdeen City Council. Up until 31 March 2015 pension benefits accrued are based on final salary. This means that pension benefits are based on the final year's pay and the number of years that person has been a member of the scheme. Benefits earned from 1 April 2015 are based on career average salary. The Scheme is a funded defined benefit scheme, meaning that the Board and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets over a period of time.

There are also arrangements in place for the award of discretionary post-retirement benefits upon early retirement. This is an unfunded defined benefit arrangement under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pensions liabilities and cash has to be generated to meet actual pension payments as they eventually fall due.

The North East Scotland Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee. The Committee is comprised of nine elected members of Aberdeen City Council. Policy is determined in accordance with the Pensions Fund Regulations. Following the introduction of The Local Government Pension Scheme (Governance) (Scotland) Regulations 2015, the Pension Fund took the opportunity to review its governance arrangements. To comply with these regulations, the Pension Fund implemented a Pension Board with representation from Unions and Employers from the 1 April 2015. With the introduction of the Pension Board, the Joint Investment Advisory Committee was disbanded.

The principal risks to the scheme are the longevity assumptions, statutory changes to the scheme, changes to inflation, bond yields and the performance of the investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the General Fund the amounts required by statute as described in the accounting policy note.

Transactions relating to Post-employment Benefits

In relation to the North East Scotland Pension Fund, the Board recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against requisitions is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out in the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

Note 23 (continued)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	2020/21 £000	2021/22 £000
Cost of Services:		
Past Service Cost	-	83
Current Service Cost and administration expenses	678	849
Financing and Investment Income and Expenditure:		
Net Interest Expense	96	(5)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	774	927
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement.		
Remeasurement of the Net Defined Benefit Liability comprising:		
Expected return on pension fund assets	(8,457)	173
Remeasurements (liabilities)	3,854	(124)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement.	(4,603)	49
MOVEMENT IN RESERVES STATEMENT		
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	774	927
Actual amount charged against requisitions for pensions in the year	456	466

Note 23 (continued)

Pensions Assets and Liabilities Recognised in the Balance Sheet

The change in the net pensions asset is analysed into the following components:

Current Service Cost: The increase in liabilities as a result of years of service earned this year.

Net Interest on the Net Defined Benefit Liability: The change during the year in the net defined benefit liability that arises from the passage of time – charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. It is the difference between the interest (increase) in the value of the liabilities as the benefits are one year closer to being paid and the interest on pension assets based on assets held at the start of the year. The calculation is based on the discount rate in force at the beginning of the year.

Remeasurements: This comprises the Return on Plan Assets (excluding amounts included in the Net Interest on the Net Defined Benefit Liability) and Actuarial Gains and Losses which are changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Contributions Paid to the Pension Fund: Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

The amount included in the Balance Sheet arising from the Board's obligation in respect of its defined benefit plan is as follows:

	31 March 2021	31 March 2022
	£000	£000
Present value of the defined benefit obligation	(40,846)	(41,165)
Fair value of plan assets	40,854	40,663
Net (liability)/asset arising from defined benefit obligation	8	(502)

Note 23 (continued)

The reconciliation of the Board's share of the present value of the North East Scotland Pension Fund's defined benefit liability is as follows:

	2021	2022
	£000	£000
1 April	(36,369)	(40,846)
Current Service Cost	(669)	(840)
Interest on pension liabilities	(861)	(844)
Remeasurements:		
Experience gain/(loss)	1,657	(80)
Gain/(Loss) on financial assumptions	(5,611)	0
Gain/(Loss) on demographic assumptions	100	204
Contributions by scheme participants	(157)	(155)
Benefits Paid	1,064	1,479
Past Service Cost	0	(83)
31 March	(40,846)	(41,165)

The reconciliation of the movements in the Board's share of the fair value of the North East Pension Fund's assets is as follows:

	2021	2022
	£000	£000
1 April	32,092	40,854
Interest on plan assets	765	849
Remeasurements (assets)	8,457	(173)
Administration expenses	(9)	(9)
Employer Contributions	456	466
Contributions by scheme participants	157	155
Benefits Paid	(1,064)	(1,479)
31 March	40,854	40,663

Note 23 (continued)

The Board's share of the Pension Fund's assets is:

	31 March 2021		
	Quoted Prices in Active Markets	Prices not Quoted in Active Markets	Totals
	£000	£000	£000
U.K. Equities	10,383	-	10,383
Overseas Equities	13,780	-	13,780
U.K Government Bonds	1,635	-	1,635
Other Government Bonds	417	-	417
Other U.K. Bonds	20	-	20
Other non U.K. Bonds	364	-	364
Property	-	2,325	2,325
Private Equity	-	2,169	2,169
Private Debt	-	985	985
Private Equity Infrastructure	-	797	797
Infrastructure Pooled fund	756	-	756
Private Equity Real Estate	-	519	519
Multi Asset Credit	-	3,089	3,089
Diversified Growth Funds	-	2,410	2,410
Cash Instruments	-	1,205	1,205
Total Assets	27,355	13,499	40,854

	31 March 2022		
	£000	£000	£000
U.K. Equities	8,756	-	8,756
Overseas Equities	15,626	-	15,626
U.K Government Bonds	3,334	-	3,334
Other Government Bonds	-	-	-
Other U.K. Bonds	-	-	-
Other non U.K. Bonds	-	-	-
Property	-	2,651	2,651
Private Equity	-	2,517	2,517
Private Debt	-	960	960
Private Equity Infrastructure	-	748	748
Infrastructure Pooled fund	703	-	703
Private Equity Real Estate	-	512	512
Multi Asset Credit	-	3,656	3,656
Diversified Growth Funds	-	-	-
Cash Instruments	-	1,200	1,200
Total Assets	28,419	12,244	40,663

Note 23 (continued)

Basis for Estimating Assets and Liabilities

The most recent valuation was carried out as at 31 March 2021 and has been updated by Mercer Limited, independent actuaries to the North East Scotland Pension Fund, in order to assess the liabilities of the Fund as at 31 March 2022. Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The principal assumptions used by the actuary have been:

	31 March 2021	31 March 2022
Financial assumptions:		
Discount rate	2.10%	2.80%
Rate of increase in salaries	4.20%	4.90%
Rate of increase in pensions	2.80%	3.50%
Rate of CPI inflation	2.70%	3.40%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	21.5	21.5
Women	24.2	24.2
Longevity at 65 for future pensioners:		
Men	23.1	23.1
Women	26.3	26.3

Sensitivity Analysis

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, and assume for each change that the assumption analysed changes while all the other assumptions remain constant. The assumption in longevity, for example, assumes that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

The effects of a 0.1% increase/decrease in the rate for discounting scheme liabilities, the rate of inflation, and the rate of increase in salaries, a 1 year increase/decrease in life expectancy, and a +/-1% change in the 2021/22 investment returns, are shown in the table below:

Note 23 (continued)

Sensitivity Analysis as at 31 March 2022

	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
		+ 0.1% p.a. discount rate	+ 0.1% p.a. inflation	+ 0.1% p.a. pay growth	1 year increase in life expectancy	+1% change in 2021/22 investment returns	-1% change in 2021/22 investment returns
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Liabilities	41,165	40,523	41,818	41,268	42,414	41,165	41,165
Assets	(40,663)	(40,663)	(40,663)	(40,663)	(40,663)	(41,065)	(40,261)
Fund Deficit/(Surplus)	502	(140)	1,155	605	1,751	100	904

Note 23 (continued)

Funding Strategy Statement (FSS)

The FSS sets out how the administering authority balances the potentially conflicting aims of affordability of contributions, transparency of process, stability of employers' contributions, and prudence in the funding basis.

The Pension Committee's long-term funding objective is to achieve and maintain assets equal to 100% of projected accrued liabilities, assessed on an ongoing basis. The current actuarial valuation of the Fund is effective as at 31 March 2020 and the results indicate that overall the assets represented 107% of projected accrued liabilities at the valuation date. Investments that would most closely match the pension liabilities would be gilts, predominantly index-linked, reflecting the nature of the Fund's liabilities. However, the Fund invests in other assets, in the expectation that these will provide higher returns albeit without any guarantee that higher returns will be achieved over any particular year. The benefit of higher investment return is that, over the long term, a higher level of funding should achieve lower employer contribution rates. However the additional investment returns from growth assets come with a price: greater volatility relative to the liabilities thus introducing risk. There is a trade-off between the benefits of additional investment return from greater exposure to growth assets and the greater predictability from having greater exposure to liability matching assets.

The asset proportions of the Fund at 31 March 2022, with March 2021 in brackets were: equities, including alternatives 82.3% (85.4%), bonds 8.2% (6.0%), property 6.5% (5.7%) and cash 3.0% (2.9%). This is based on the Board's proportion of assets held as supplied by the actuary, rather than the proportions held by the fund as a whole.

Impact on the Board's Cash Flows

While the Fund's main objective is to ensure solvency of the NESPF they also aim to keep employers' contributions at as constant a rate as possible. Following the 2021 valuation the Pensions Committee has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over an average surplus spread period of 24 years and have maintained an employer contribution rate requirement of 19.3% for local authorities across the scheme. During the valuation process employer rates are set for a period of three years with the next triennial valuation due as at 31 March 2023 to determine a funding level and set the rates for 2021/22 onwards.

The projected employer contributions expected to be made to the Local Government Pension Scheme in the year to 31 March 2023 is £0.466m.

The weighted average duration of the liabilities for scheme members at the 31 March 2021 valuation is 16 years.

GLOSSARY OF TERMS

EXPENDITURE

Employee Benefit Expenses

Includes direct and indirect employee expenses.

Direct expenses include salaries and overtime, employer's national insurance and superannuation contributions.

Indirect employee expenses include relocation cost, interview expenses, training and staff advertising.

Other Service Expenses

Includes

- rent, rates, repairs and maintenance and premises-related expenditure at the area offices in Banff, Elgin and Woodhill House headquarters.
- all costs associated with the hire or use of transport, including staff travel allowances and public transport and
- the cost of purchasing equipment, furniture and materials used in the operation or administration of the service, including printing and stationery, canvass expenses and valuation appeal panel costs.

Support Services

This is a charge from Moray Council for services that support the Board in its provision of services to the public. These include Legal Services, Financial Services, Internal Audit and Human Resources.

Depreciation

Depreciation is a charge to the Comprehensive Income and Expenditure Statement, reflecting the decline in value of assets as a result of their usage or ageing.

Impairment

Impairment is a charge to the Comprehensive Income and Expenditure Statement, reflecting that the recoverable amount of an asset is less than its carrying amount.

INCOME

Requisitions

Funding received from the constituent authorities for which the Board provides a service.

GLOSSARY OF TERMS (continued)

OTHER TERMS

CIPFA

The Chartered Institute of Public Finance and Accountancy

LASAAC

Local Authority (Scotland) Accounts Advisory Committee

IFRS

International Financial Reporting Standard

The Code

The Code of Practice on Local Authority Accounting in the United Kingdom

SeRCOP

Service Reporting Code of Practice

Fair Value

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). When measuring fair value, an entity uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk.

Current Value

For operational land and buildings, current value is the amount that would be paid for the asset in its existing use.

Economic Cost

The total cost of performing an activity or following a decision or course of action.



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 26 AUGUST 2022

SUBJECT: REVENUE BUDGET MONITORING STATEMENT FOR THE PERIOD 1 APRIL TO 31 JULY 2022

BY: TREASURER TO THE BOARD

1. REASON FOR REPORT

1.1 To consider the Revenue Budget Monitoring Statement for the period 1 April to 31 July 2022.

2. RECOMMENDATION

2.1 It is recommended that the Board considers the Revenue Monitoring Statement to 31 July 2022.

3. CURRENT POSITION

3.1 At its meeting on 4 February 2022, the Board agreed the Revenue Budget for 2022/23 (paragraph 4 of the Minute refers) be set at £4,896,000 and approved the requisitions to constituent authorities of £4,749,000, with £147,000 being funded from the earmarked NDR reserve.

3.2 The **APPENDIX** shows the monitoring position to 31 July 2022 against the budget. It gives details of the 2022/23 Revenue Budget, actual expenditure to date and the variance of expenditure against budget to date.

3.3 Total net expenditure at 31 July 2022 is £1,410,000 which is an underspend against budget to date of £247,000.

3.4 There are currently 14 vacancies and recruitment is actively being carried out.

NDR Reform

3.5 There is £415,000 budgeted this year for continuing the implementation of the NDR reforms following the Barclay review. £147,000 will be funded from the balance in the earmarked reserve with a further £268,000 included in the requisitions from authorities.

3.6 Of the NDR budget, £359,000 is for staffing. As mentioned in para 3.4, recruitment is now being actively pursued for these NDR Reform posts although it has not yet been possible to fill all the posts. Currently four Graduate Trainee Valuers, one Admin Assistant and two Clerical Officer posts

have been filled from the NDR staffing budget. Two valuer posts remain vacant.

- 3.7 The remainder of the NDR budget is in Supplies & Services for Postages, ICT, subscriptions etc, but there has been no spend to date on these areas.

Year to Date Variances

- 3.8 There is a £159,000 underspend against budget to date within employee costs. The variance arises from vacant posts in the establishment, including NDR posts not yet occupied, and a 2% pay award for 2022/23 which has been budgeted for but not yet agreed.
- 3.9 Property costs are currently on budget to date. At the time of budget setting, the potential re-configuration of Woodhill House had been delayed and so the original rental and service charge budgets were reinstated. A reduced footprint for the service would result in a reduced rental charge and associated costs for the service. It is now looking unlikely that any move will take place until 2023/24.
- 3.10 There is a small variance within Transport Costs budgets, which will continue to be monitored throughout the year.
- 3.11 Budgets within Supplies and Services are under by £88,000 with the main variance in Postages and ICT Maintenance; underspends of £36,000 and £39,000 respectively. This is not causing concern at this early stage of the year.
- 3.12 Support charges are processed at 31 March as part of the year end closedown.
- 3.13 There are no other significant variances to report at this early stage in the year.

4. CONCLUSION

- 4.1 The total net expenditure as at 31 July 2022 is £1,410,000 giving an underspend against budget to date of £247,000.
- 4.2 The Assessor and his Senior Management Team closely monitor and control budgets in order to keep within agreed levels and generate savings wherever possible throughout the year.
- 4.3 A detailed revenue monitoring and estimated outturn statement will be reported at the Board meeting in October 2022.

Author of Report:	Susan Souter, Accountant.
Background papers:	Held within Accountancy Section, Moray Council
Date:	17 August 2022

**GRAMPIAN VALUATION JOINT BOARD REVENUE MONITORING STATEMENT
FOR PERIOD 1 APRIL TO 31 JULY 2022**

Line No.	2022-23 Total Budget	2022-23 Budget to Date	Actual 31-Jul-22	Variance 31-Jul-22
	£'000	£'000	£'000	£'000
<u>Employee Costs</u>				
1 Salaries	2,752	917	796	121
2 National Insurance	309	103	87	16
3 Superannuation	528	176	152	24
4 Additional Pensions	24	8	Item 9. 8	-
5 Other Employee Costs	1	-	2	(2)
6 Training	20	-	-	-
Total Employee Costs	3,634	1,204	1,045	159
<u>Property Costs</u>				
7 Accommodation Charges	330	197	200	(3)
8 Repairs and Maintenance	3	1	1	-
9 Energy Costs	13	4	4	-
10 Cleaning	4	1	-	1
Total Property Costs	350	203	205	(2)
<u>Transport Costs</u>				
11 Staff Travel and Subsistence	52	17	15	2
Total Transport Costs	52	17	15	2
<u>Supplies & Services</u>				
12 Equipment, Furniture & Materials	3	2	6	(4)
13 PPE	1	-	-	-
14 Reference Books	10	4	2	2
15 Printing & Stationery	34	11	2	9
16 Postages & ER Printing	293	55	19	36
17 Telephones	7	2	6	(4)
18 Advertising	7	2	2	-
19 IT Maintenance & Support	356	144	105	39
20 Valuation Appeals	56	1	1	-
21 Members' Allowances	4	-	-	-
22 Fees, Charges & Subs	7	-	-	-
23 Specialist Services	34	11	-	11
24 Conference Fees & Subsistence	2	-	-	-
25 Other Supplies & Services	2	1	2	(1)
Total Supplies & Services	816	233	145	88
<u>Support Services</u>				
25 Lead Authority Charge	59	-	-	-
Total Support Services	59	-	-	-
Gross Expenditure	4,911	1,657	1,410	247
<u>Income</u>				
26 Sales and Other Income	(13)	-	-	-
27 Interest on Revenue balances	(2)	-	-	-
Total Income	(15)	-	-	-
28 Net Expenditure	4,896	1,657	1,410	247
<u>Funded from Reserves</u>				
29 NDR Reform	(147)	-	-	-
30 Requisitions	(4,749)	(1,581)	(1,581)	-
31 (Surplus)/Deficit for Year	Page 101	76	(171)	247

Grampian Valuation Joint Board

Annual Audit Plan 2021/22



 AUDIT SCOTLAND

Prepared for Grampian Valuation Joint Board

April 2022

Contents

Introduction	3
Financial statements audit planning	5
Audit dimensions and Best Value	10
Reporting arrangements, timetable, and audit fee	11
Other matters	13

Introduction

Summary of planned audit work

1. This document summarises the work plan for our 2021/22 external audit of Grampian Valuation Joint Board (the Joint Board). The main elements of our work include:

- understanding the key systems of internal control, and how weaknesses in these systems could impact on the financial statements
- an audit of the financial statements, and provision of an Independent Auditor's Report
- an audit opinion on statutory other information published within the annual accounts including the management commentary, annual governance statement and the audited part of the remuneration report
- consideration of arrangements in relation to the wider audit dimensions that frame the wider scope of public sector audit (as amended by supplementary guidance): the appropriateness of the disclosures in the governance statement and financial sustainability.

Impact of Covid-19

2. The coronavirus disease (Covid-19) pandemic has had a significant impact on public services and public finances, and the effects will be felt well into the future.

3. The Accounts Commission and Audit Scotland continue to assess the risks to public services and finances from Covid-19 across the full range of our audit work, including annual audits and the programme of performance audits. The well-being of audit teams and the delivery of high-quality audits remain paramount. Changes in our approach may be necessary and where this impacts on annual audits, revisions to this Annual Audit Plan may be required.

Adding value

4. We aim to add value to the Joint Board through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we will help the Joint Board promote improved standards of governance, better management and decision making and more effective use of resources. Additionally, we attend meetings of the Joint Board and actively participate in discussions.

Respective responsibilities of the auditor and the Joint Board

5. The [Code of Audit Practice \(2016\)](#) sets out in detail the respective responsibilities of the auditor and the Joint Board. Key responsibilities are summarised below.

Auditor responsibilities

6. Our responsibilities as independent auditors are established by the Local Government (Scotland) Act 1973 and the [Code of Audit Practice](#) (including [supplementary guidance](#)) and guided by the Financial Reporting Council's Ethical Standard.

7. Auditors in the public sector give an independent opinion on the financial statements and other information within the annual accounts. We also review and report on the arrangements within the Joint Board to manage its performance and use of resources. In doing this, we aim to support improvement and accountability.

Joint Board's responsibilities

8. The Joint Board is responsible for maintaining accounting records and preparing financial statements that give a true and fair view.

9. The Joint Board also has primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to deliver their objectives.

Managing the transition to 2022/23 audits

10. Audit appointments are usually for five years but were extended to six years due to Covid-19. 2021/22 is the final year of the current appointment and we will work closely with our successors to ensure a well-managed transition.

Financial statements audit planning

Materiality

11. Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. We are required to plan our audit to determine with reasonable confidence whether the financial statements are free from material misstatement. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement.

Materiality levels for the 2021/22 audit

12. We assess materiality at different levels as described below. The materiality values for the Joint Board are set out in [Exhibit 1](#).

Exhibit 1

2021/22 Materiality levels for Grampian Valuation Joint Board

Materiality	Amount
Planning materiality – This is the figure we calculate to assess the overall impact of audit adjustments on the financial statements. It has been set at 2% of gross expenditure for the year ended 31 March 2022 based on the approved revenue budget for 2021/22.	£99,000
Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality, this would indicate that further audit procedures should be considered. Using our professional judgement, we have assessed performance materiality at 75% of planning materiality.	£74,000
Reporting threshold (i.e. clearly trivial) – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount.	£5,000

Source: Audit Scotland

Significant risks of material misstatement to the financial statements

13. Our risk assessment draws on our cumulative knowledge of the Joint Board, its major transaction streams, key systems of internal control and risk management processes. It is also informed by our discussions with management, meetings with internal audit, attendance at Joint Board meetings and a review of supporting information.

14. Based on our risk assessment process, we identified the following significant risks of material misstatement to the financial statements. These are risks which have the greatest impact on our planned audit procedures. [Exhibit 2](#) summarises the nature of the risk, the sources of assurance from management arrangements and the further audit procedures we plan to perform to gain assurance over the risk.

Exhibit 2

2021/22 Significant risks of material misstatement to the financial statements

Significant risk of material misstatement	Sources of assurance	Planned audit response
<p>1. Risk of material misstatement due to fraud caused by the management override of controls</p> <p>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. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance.</p>	<ul style="list-style-type: none"> • Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. • Test journals at the year-end and post-closing entries focusing on significant risk areas. • Consider the need to test journal entries and other adjustments during the period. • Evaluate significant transactions outside the normal course of business. • Assess any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year. • Test income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year.

Significant risk of material misstatement	Sources of assurance	Planned audit response
<p>2. Estimation in the valuation of land and buildings</p> <p>The Joint Board held land and buildings with a NBV of £0.7 million at 31 March 2021. Land and buildings are revalued every five years.</p> <p>There is a significant degree of subjectivity in the measurement and valuation of land and buildings. Valuations are based on specialist and management assumptions and changes in these can result in material changes to valuations.</p> <p>A full valuation exercise was completed during 2018/19. The Joint Board has not applied indexation in intervening years.</p> <p>There is a risk that the carrying amount of assets differs materially from the current value at the end of the reporting period.</p>	<p>The Joint Board has clearly defined procedures in place, including the use of experts to make significant estimations and judgements.</p> <p>Estimates and valuations are reviewed by qualified finance staff.</p>	<ul style="list-style-type: none"> • Test accruals and prepayments focusing on significant risk areas. • Test the reconciliation between the financial ledger and the property asset register. • Review management's assessment of the current value of assets that have not been revalued as at 31 March 2022 and compare to their carrying value in the accounts. • Consider the evidence used by management to support their assessment including the definition of materiality used.

Source: Audit Scotland

15. As set out in International Standard on Auditing (UK) 240: *The auditor's responsibilities relating to fraud in an audit of financial statement*, there is a presumed risk of fraud in the recognition of revenue. We have considered the risk of fraud over income recognition (ISA 240). We also considered the risk of fraud over expenditure, as most public bodies are net spending bodies, and the risk of external fraud (in accordance with Practice Note 10 (Audit of Financial Statements and Regularity of Public Sector Bodies in the UK)).

16. We have rebutted the presumption that a material risk exists, with the exception of management override, as noted above. This is on the basis that:

- there are generally no incentives for staff to commit fraudulent financial reporting
- most income is provided by the constituent authorities and is easily verified
- most expenditure is in low-risk areas where individual transactions are well-controlled (for example salaried staff costs in a well-defined grading system) and individual transactions are relatively small in scale
- experience in the sector and of the audit of the Joint Board, including a review of past misstatements.

17. Our audit testing is directed towards testing significant and unusual transactions and towards assessing accounting estimates to address any residual risk, as part of our standard fraud procedures. We have not, therefore, incorporated specific work into our audit plan in these areas over and above our standard audit procedures.

Other areas of audit focus

18. As part of our assessment of audit risks, we have identified other areas where we consider there are also risks of material misstatement to the financial statements. Based on our assessment of the likelihood and magnitude of the risk, we do not consider these to represent significant risks. We will keep these areas under review as our audit progresses. If our assessment of risk changes and we consider these risks to be significant, we will communicate this to management and those charged with governance and revise our planned audit approach accordingly.

19. The areas of specific audit focus are:

- **Valuation of IAS19 net pensions liability:** Actuarial estimates are a complex combination of liabilities over significant future periods based on life expectancy and CPI growth. These are subject to significant discounting based on corporate bond rates. Assets are based on individual employer body shares of assets at last triennial valuation. Roll forward adjustments are provided to members data and to asset valuations.

We will assess the scope, independence and competence of the professionals engaged in providing estimates for pensions and review appropriateness of actuarial assumptions and results including comparison with councils. We will establish officers' arrangements for ensuring the reasonableness of professional estimations and the accuracy of information provided to the actuary by Moray Council on behalf of the Joint Board.

Audit risk assessment process

20. Audit risk assessment is an iterative and dynamic process. Our assessment of risks set out in this plan may change as more information and evidence becomes available during the progress of the audit. Where such changes occur, we will advise management and where relevant, report them to those charged with governance.

Audit dimensions and Best Value

Introduction

21. The [Code of Audit Practice](#) sets out the four dimensions that frame the wider scope of public sector audit. The Code of Audit Practice requires auditors to consider the adequacy of the arrangements in place for the audit dimensions in audited bodies.

Audit dimensions

22. As in previous years, we plan to apply the small body provisions of the Code of Audit Practice to the Joint Board's 2021/22 audit. This is due to the small volume and lack of complexity of the Joint Board's financial transactions. Consequently, our wider scope audit work will focus on the appropriateness of the disclosures in the governance statement and the Joint Board's financial sustainability.

Best Value

23. Local government bodies have a responsibility to have arrangements in place to demonstrate Best Value in how they conduct their activities. Our audit work on the Joint Board's Best Value arrangements is focussed on the use of resources to secure financial sustainability.

Audit dimension risks

24. No new audit dimension risks have been identified for the Joint Board in 2021/22. Progress on the outstanding audit dimension risks identified in prior years will be followed-up with management during the course of the 2021/22 audit.

Reporting arrangements, timetable, and audit fee

Reporting arrangements

25. Audit reporting is the visible output for the annual audit. All Annual Audit Plans and the outputs, as detailed in in [Exhibit 3](#), and any other outputs on matters of public interest will be published on our website: www.audit-scotland.gov.uk.

26. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officers to confirm factual accuracy.

27. We will provide an independent auditor's report to the Joint Board and the Accounts Commission setting out our opinions on the annual accounts. We will also provide the Joint Board and the Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

28. [Exhibit 3](#) outlines the target dates for our audit outputs, and we aim to issue the independent auditor's report by 31 October 2022. We acknowledge this will be challenging due to the ongoing pressures and uncertainties caused by Covid-19.

Exhibit 3

2021/22 Audit outputs

Audit Output	Target date	Joint Board date
Annual Audit Plan	31 March 2022	17 June 2022
Independent Auditor's Report	31 October 2022	November 2022
Annual Audit Report	31 October 2022	November 2022

Source: Audit Scotland



Timetable

29. The effect of Covid-19 on the 2019/20 and 2020/21 audits means that we are starting the 2021/22 audits later than in previous years. We expect that this year will continue to be challenging and we have reviewed resources and timings across the audits which Audit Scotland delivers.

30. In the interests of public accountability, and with a view to the new audit appointments from 2022/23, Audit Scotland is prioritising NHS, agency and council audits this year. Although the target date for the completion of local government audits is 31 October 2022, this cannot be met in all cases.

31. We have included the proposed timetable for the audit of the Joint Board at [Exhibit 4](#) which has been discussed with management. We continue to seek ways to work more efficiently to expedite the 2021/22 audits whilst at the same time maintaining high standards of quality. Progress against the proposed timetable will be discussed with finance officers over the course of the audit.

Exhibit 4 Proposed annual report and accounts timetable

 Key stage	 Provisional Date
Consideration of the unaudited annual accounts by those charged with governance	17 June 2022
Latest submission date for the receipt of the unaudited annual accounts with complete working papers package.	30 June 2022
Agreement of audited unsigned annual accounts and issue of Letter of Representation and proposed independent auditor's report	31 October 2022
Signed Independent Auditor's Report	November 2022

Source: Audit Scotland

32. To support an efficient audit, it is critical that high quality unaudited accounts and supporting working papers are provided and that the timetable for producing the annual accounts for audit is achieved.

Audit fee

33. The proposed audit fee for the 2021/22 audit of the Joint Board is £7,820 (2020/21: £7,610). In determining the audit fee, we have taken account of the risk exposure of the Joint Board, the planned management assurances in place and the level of reliance we plan to take from the work internal audit.

34. Where our audit cannot proceed as planned through, for example, late receipt of unaudited annual report and accounts, the absence of adequate supporting working papers or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises out with our planned audit activity.

Other matters

Internal audit

35. Internal audit is provided by Moray Council's internal audit section. International standards on Auditing (UK) 610: *Considering the work of internal audit* requires us to:

- consider the activities of internal audit and their effect on external audit procedures
- obtain an understanding of internal audit activities to inform our planning and develop an effective audit approach that avoids duplication of effort
- perform a preliminary assessment of the internal audit function when there is scope for relying on internal audit work which is relevant to our financial statements' responsibilities
- evaluate and test the work of internal audit, where use is made of that work for our financial statements responsibilities to confirm its adequacy for our purposes.

36. We do not plan to place any formal reliance on the work of internal audit in 2021/22 as we intend to use a substantive approach for the audit of the Joint Board's financial statements. We plan to consider internal audit's work on the annual governance statement as part of our wider dimension audit responsibilities.

Independence and objectivity

37. Auditors appointed by the Accounts Commission must comply with the [Code of Audit Practice](#) and relevant supporting guidance. When auditing the financial statements, auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has robust arrangements in place to ensure compliance with these standards including an annual '*fit and proper*' declaration for all members of staff. The arrangements are overseen by the Director of Audit Services, who serves as Audit Scotland's Ethics Partner.

38. The engagement lead (i.e. appointed auditor) for Grampian Valuation Joint Board is Maggie Bruce, Senior Audit Manager. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of the Joint Board.

Quality control

39. International Standard on Quality Control (UK) 1 (ISQC1) requires a system of quality control to be established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor's report or opinion is appropriate in the circumstances.

40. The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the [Code of Audit Practice](#) (and supporting guidance) issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards, Audit Scotland conducts peer reviews and internal quality reviews. Additionally, the Institute of Chartered Accountants of Scotland (ICAS) have been commissioned to carry out external quality reviews.

41. As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time, and this may be directed to the engagement lead.

Grampian Valuation Joint Board

Annual Audit Plan 2021/22

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

www.audit-scotland.gov.uk/accessibility

For the latest news follow us on social media or [subscribe to our email alerts.](#)



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
Phone: 0131 625 1500 Email: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 26 AUGUST 2022

SUBJECT: INTERNAL AUDIT ANNUAL REPORT 2021/22

BY: THE TREASURER

1. REASON FOR REPORT

- 1.1 This report advises the Board of the internal audit work completed on the Assessor's Service for the financial year ended 31st March 2022, and provides an opinion on the adequacy of the control systems reviewed.

2. RECOMMENDATION

- 2.1 That the Board considers this report for 2021/22 and notes the satisfactory audit opinion derived from the audit work completed.**

3. BACKGROUND

- 3.1 In terms of the Public Sector Internal Audit Standards (PSIAS) applicable to Local Government, it is good practice to develop an internal audit plan for each financial year. The plan is agreed with senior management and is presented to the Board to enable it to consider and comment on the proposed audit coverage. The planned work for 2021/22 as reported to the meeting of the Board in February has been completed and informs the internal audit opinion.
- 3.2 As the Board will be aware, the main financial systems of the Assessor's Service replicate 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. There remains a need, however, to test transactions specific to the Assessor's Service annually to provide the Treasurer with an opinion on the adequacy and effectiveness of the internal control systems and procedures. This work includes confirming the administrative processes for reporting revisions to the council tax and non domestic rating lists by the Assessor to the constituent Authorities.
- 3.3 All planned audit coverage detailed within the report to the Board on the 4th of February 2022 has been undertaken. Audit testing reviewed budget setting and monitoring, payroll costs which utilise a major element of the budget, non payroll expenditure covering issues including office rentals and ICT costs, and assessment of income received.

- 3.4 The audit found from the testing undertaken that systems and procedures

were generally operating well. However, a sample checked of payments made identified that input Value Added Tax (VAT) had not been claimed on purchasing card transactions. Purchasing cards are only used by senior management of the Assessor service and the total gross amount of payments made by purchasing cards in 2021/22 amounted to £14,835, however not all transactions include VAT. The issue has arisen due to a lack of clarity on required documentation to be submitted for VAT accounting, given remote working and pandemic restrictions. The process has now been clarified and the necessary documentation will be provided to enable retrospective VAT adjustments to be credited to the Valuation Board in 2022/23. An Action Plan detailing this recommendation is attached in Appendix 1. It should be noted that the majority of purchases are made by order and invoice and follow a different process to that of purchasing card transactions, and therefore remain unaffected.

- 3.5 The Board's Code of Corporate Governance requires the identification and prioritisation of risks to the organisation's aims and objectives. These risks are detailed within a register and are subject to ongoing review with reports submitted to the Board annually or more frequently if there is a significant change to the risk profile. I am pleased to report the Risk Register is subject to ongoing review by the Assessor and his Senior Management Team. The latest version was prepared in April 2022 and was due to be reported to the Board on the 17th June 2022. However due to the cancellation of the scheduled meeting, the report is now included in the agenda for this Board meeting on 26th August 2022.
- 3.6 The audit opinion informs the Annual Governance Statement which is certified by the Board's Convener and the Assessor and is published within the Board's annual accounts.
- 3.7 The audit was carried out in accordance with Public Sector Internal Audit Standards (PSIAS).

4. CONSULTATIONS

- 4.1 The Assessor has been consulted during the audit review process.

5. CONCLUSION

- 5.1 The Audit and Risk Manager is of the opinion, based on audit work completed, that reasonable assurance can be placed on the adequacy of and effectiveness of the system of internal financial control established within the Assessor's Service.**

Author of Report: Dafydd Lewis, Audit and Risk Manager
Background Papers: Internal Audit files
Ref:

Moray Council

Internal Audit Section

Recommendations

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
Key Control: Robust processes are in place to ensure expenditure is incurred through proper procurement channels, authorised and validated as appropriate.						
5.0	An exercise should be undertaken to identify supporting documentation for all purchasing card transactions incurred since March 2020 which include a VAT element. Documentation should be passed to the Payments Section for processing of the VAT claim which will allow the retrospective VAT	Medium	Yes	This exercise is already underway and there has been liaison between the Assessor, the Purchase Card administrators and the accountancy team to	Assessor & ERO	31/08/22

Moray Council

Internal Audit Section

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.		Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
	adjustments to be credited to the Valuation Board. Supporting documentation for vatable purchasing card transactions should be submitted to Payments on a monthly basis going forward.			identify the relevant transactions and pass on copies of the receipts.		



REPORT TO: Grampian Valuation Joint Board on 26 August 2022

SUBJECT: Valuation Roll & Council Tax Valuation List

BY: The Depute Assessor & ERO (Aberdeen & Moray)

1. Reason for Report

1.1 To provide an operational update on the valuation services provided by the Assessor including the performance levels achieved during 2021/22.

2. Recommendation

2.1 It is recommended that the Board note the report.

3. Background

3.1 Revaluation and running roll appeal resolution are key activities for the service following the 2017 revaluation.

3.2 The Board's Code of Corporate Governance requires annual reporting of operational performance. The performance indicators provided in Appendices 1 and 2 to this report have been agreed between the Scottish Government and the Scottish Assessors Association.

3.3 Maintenance of the Valuation Roll and Council Tax Valuation List continued throughout the pandemic albeit subject to the operational restrictions imposed by the requirement to work from home and the limitations on carrying out site visits.

4. Valuation Roll

4.1 Revaluation 2017 Appeals

The Revaluation 2017 Valuation Appeal Committee disposal deadline was extended by a year to 31 December 2021 as a result of the pandemic. The current position is that 11,141 revaluation appeals representing 98.7% of the total of 11,291 appeals were resolved by that date. Of the remaining 150 appeals, 149 have been referred to the Lands Tribunal for Scotland for disposal without limit of time and the one remaining appeal involves an outstanding procedural matter in the hands of the Valuation Appeal Committee.

4.2 Running Roll Appeals

The valuation service has also disposed of around 4,000 running roll appeals although a further 17,500 remain outstanding, the vast majority of which are material change of circumstances (MCC) appeals arising from the Covid-19 pandemic. Having already extended the deadline for disposal of these appeals to 31 December 2022 the Scottish Government then further extended the deadline to 31 December 2023. whilst maintaining an intention to invalidate "Covid MCC" appeals through primary legislation. The resulting Non-Domestic Rates (Coronavirus) (Scotland) Act 2022 received Royal Assent on 28 July 2022.

4.3 Running roll updates

Appendix 1 provides performance for running roll updates to the Valuation Roll during the period from 1 April 2021 to 31 March 2022 and the previous two years. Performance during 2021/22 continued to be impacted by the challenging operating environment, the negative effect of the pandemic on information flows, valuer vacancies and the demands of the appeal resolution process, which was the primary focus for property inspections following the resumption of on-site survey activity. Whilst the number of amendments carried out in under three months is well below the new target threshold set by the Board last year there was a marked improvement on the previous year.

4.4 Revaluation 2023

The service has issued large volumes of Assessor Information Notices in order to ingather rental and other information required for the 2023 Revaluation. The resulting evidence is now in the process of being analysed with a view to the publication of draft values for all subjects by 30 November 2022, with finalised figures due by 15 March 2023.

5. Council Tax Valuation List

5.1 Updates to the List

Appendix 2 provides performance information for updates to the Council Tax Valuation List. Against a background of increasing housebuilding activity, the data for the year shows a significant improvement on the position for the 2020/21 year. The percentage of updates achieved within the 3 month performance threshold remains below target for a normal year and reflects the challenging operational environment that prevailed for a major part of the year.

5.2 Proposals and Appeals

A backlog of outstanding Council Tax proposals arising from the pandemic continues to be tackled and Valuation Appeal Committees have resumed hearings for any unresolved appeals.

6. Conclusion

The pandemic continued to provide significant challenges to the delivery of services during 2021/22 in a number of areas, particularly the level of valuer vacancies, the requirement for home-based working and the inability to undertake site visits or hold face-to-face meetings. Nevertheless, the valuation service has performed well both in regard to appeal disposal activity and in relation to the maintenance of the Roll and the List.

Author of Report: Gavin M Oag Depute Assessor & ERO

Appendix 1

Valuation Roll Performance Indicators as at 31 March 2022

	Time period	2021/2022	2020/2021	2019/2020
Amendments within time periods	0 - 3 Months	663	425	1,176
The number of amendments made to the valuation roll during the year as a result of material change of circumstances and new subjects.	%	39.39%	29.72%	59.3%
	<i>Threshold %</i>	65.00%	<i>70.00%</i>	<i>70.0%</i>
	3 - 6 Months	380	278	358
	%	22.58%	19.44%	18.0%
The time period is the period between the effective date of the amendment and the date the corresponding Valuation Notice is issued.	<i>Threshold %</i>	20.00%	<i>15.00%</i>	<i>15.0%</i>
	Over 6 Months	640	727	450
	%	38.03%	50.84%	22.7%
	<i>Threshold %</i>	15.00%	<i>15.00%</i>	<i>15.0%</i>
Number of amendments		1,683	1,430	1,984
Total number of entries	At 1 April	30,326	29,950	29,714
Total Rateable Value	At 1 April	£1,002.00M	£1,021.00M	£1,020.16M
Revaluation 2017 appealed assessments	Resolved in year	888	1,064	3,832
	Total resolved	9,957	9,064	8,000
	Total outstanding	145	1,038	2,102
	Loss*	3.6%	2.4%	1.4%
Revaluation 2010 appealed assessments	Resolved in year	2	5	8
	Total resolved	7,144	7,142	7,137
	Total outstanding	10	12	17
	Loss**	3.1%	3.1%	3.1%

* Compared to total RV as at 1 April 2017 (£987.11M)

** Compared to total RV as at 1 April 2010 (£728.36M)

Appendix 2

Council Tax Valuation List Performance Indicators as at 31 March 2022

	Time Period	2021/2022	2020/2021	2019/2020
New Entries within Time Periods	0 - 3 Months	2,465	1,357	3,089
The time period is the period between the effective date of the amendment and the date the corresponding Banding Notice is issued.	%	83.16%	61.35%	89.9%
	<i>Threshold %</i>	94.00%	94.00%	94.0%
	3 - 6 Months	344	408	231
	%	11.61%	18.44%	6.7%
	<i>Threshold %</i>	3.00%	3.00%	3.0%
	Over 6 Months	155	447	117
	%	5.23%	20.21%	3.4%
	<i>Threshold %</i>	3.00%	3.00%	3.0%
Number of New Entries Added		2,964	2,212	3,437
The actual number of new dwellings added to the Valuation List during the year.				
Total Number of Entries		297,597	295,690	292,839
The actual number of properties shown in the Valuation List as at 1 April annually.				
Adjusted to Band "D" Equivalent	Original ratios	295,659	293,546	290,432
	2017 ratios	311,265	308,992	305,654
Number of proposals accepted		12	11	24



REPORT TO: Grampian Valuation Joint Board on 26 August 2022

SUBJECT: Electoral Registration

BY: The Principal Admin Officer

1. Reason for Report

1.1 To update the Board on current developments in electoral registration.

2. Recommendation

2.1 It is recommended that the Board consider and note the content of this report.

3. Background

3.1 From February through to early May the main focus in electoral registration has been the preparation for, and the delivery of, the local government elections across the 3 employing authority areas.

3.2 Following the local elections, postal vote rejection notices were issued. Planning and preparation for the 2022 annual canvass took place in June and July and the initial canvass communications have been issued throughout August.

3.3 We provided registration data in support of Community Council elections in Aberdeen City and Aberdeenshire, with 3 small boundary changes being implemented in Aberdeenshire.

3.4 The Elections Bill 2021-22 received Royal Assent on 28 April 2022 and we now await detailed regulations on how the legislation will operate in practice.

4. Electoral Registration Update

4.1 Local Government elections 5 May 2022

4.2 The expectation was that these elections would be significantly quieter than the Scottish Parliamentary elections held in 2021. However, there continued to be uncertainty because of the pandemic and it was therefore necessary to put measures in place to ensure delivery, including the issue of Household Notification Letters (HNLs), with the overall aim being to “flatten the curve” of incoming postal vote and registration applications.

- 4.3** HNLs were issued on 31 January 2022 to 290,993 households across Grampian, with the main aims being:
- To advise householders of the names of those currently registered at the address and aged 16 or over
 - To provide information on how to register for those not already registered
 - To provide early notification of the postal vote deadline and how to apply
- 4.4** The issue of the HNLs was complemented by a national advertising campaign co-ordinated by the Scottish Assessors Association Electoral Registration Committee (SAA ERC).
- 4.5** The cost of the HNLs was covered by funding remaining from that provided by the Scottish Government for the Scottish Parliamentary elections, and that resource has now been exhausted.
- 4.6** As in 2021 our website was updated with messaging around the elections and the HNL issue in particular, while the subject specific contact forms and dedicated email response channels developed for the Scottish Government elections are now used as Business as Usual to ensure the smooth handling of contacts at peak times.
- 4.7** The HNLs did prompt an increase in contacts, both by telephone and email, regarding both postal voting and registration and we saw a distinct uplift in applications, but these increases were managed comfortably by reallocation of core staff for a relatively short time period.
- 4.8** The table below shows that the enhanced level of postal voting uptake experienced at the Scottish Parliamentary elections has largely been maintained, which meant that there was no major surge.

Date/Event	Postal Voters
1 December 2020	88,494
Scottish Parliamentary Election 2021 Polling Day	123,467
5 January 2022	117,607
Local Government Elections 2022 Polling Day	121,550

- 4.9** One aspect of the election process which requires more resource at local government elections is the provision of registers and lists of absent voters to candidates. In all we dealt with requests to receive the register and/or lists of absent voters from 99 candidates or their agents. The information is provided in csv, pdf or paper format. This compares with only 5 requests at the Scottish Parliamentary election.
- 4.10** One unexpected element of these elections was that the Buckie Ward of Moray Council was uncontested, with the number of validly nominated candidates matching the number of vacancies. While the expectation might be that this would result in less work, the opposite was the case, with different and previously untested procedures having to be carried out in our Electoral Management System, Eros.

4.11 Uncontested wards also arose in the Comhairle nan Eilean Siar (3), Inverclyde (1), Shetland Islands (2) and Highland (1) council areas. Staff in the Shetland ERO office had anticipated that they may have uncontested wards and, being new users of the Eros system, had sought advice early from the software providers (Idox) on the procedures to be followed. By liaising with Shetland staff we were able to benefit from their knowledge of the required procedures and quickly implement the additional actions on the system. This demonstrated the great benefit of the cooperation and sharing of experience which is common practice between members of the SAA ERC.

4.12 The final eligible electorate for the 2022 elections was;

Council Area	Eligible Electorate	Number of Postal Voters
Aberdeen City	165,847	43,999
Aberdeenshire	204,633	57,563
Moray	74,494	19,988
Total	444,974	121,550

4.13 Under the emergency proxy provisions, which are in force from 5 pm, 6 working days prior to the poll, a total of 41 emergency proxy appointments were approved, with 20 being dealt with on polling day. A total of 8 applications were rejected as being invalid, with 2 of these on polling day.

4.14 The reasons for the emergency proxy requests at the elections held in 2021 and 2022 were:

Emergency Proxy Type	Scottish Parliamentary 2021	Local Government 2022
Covid	92	32
Employment	35	9
Medical/Disability	13	0

4.15 Volumes were clearly much reduced this year, but interestingly Covid remained a major factor.

4.16 Ongoing co-operation with the 3 council election teams was a major priority, with meetings taking place in January and February. A post election catch up meeting with the Aberdeen City team has already taken place with a high level of satisfaction expressed and no negative issues raised. Meetings with the Aberdeenshire and Moray teams will take place on 21 June and we hope for similar feedback.

4.17 Postal Voter Rejection Notices

4.18 Where the Returning Officer has rejected an elector's postal vote due to the details provided on the postal voting statement failing to match the details provided on the original postal vote application, a rejection notice must be issued to the elector within 3 months of polling day.

- 4.19** These notices are issued by the Electoral Registration Officer and were dispatched on 20 May 2022 for all 3 council areas. Where the rejection reasons include a mismatched signature, the elector is required to provide a new signature to avoid the cancellation of their postal voting arrangement. Reminders are issued at the 3 week point and where no response is received within the period of 6 weeks, the postal vote is cancelled. This is confirmed in writing, and another postal vote application form is provided along with the cancellation letter.
- 4.20** 2022 Annual Canvass
- 4.21** Planning and preparation for the canvass took place in June and July. In this third year of operating the reformed canvass model we have made some progress in utilising more of the methods which are now permitted, such as local data matching and E-Communications. As in 2020 and 2021 the postal canvass will commence in the first week of August and the first stage will be phased over 3 weeks.
- 4.22** In addition to the National data match relative to Department for Work and Pensions records, local data matching of occupied properties can also be carried out with a view to increasing the elector match rate, which should translate to a higher percentage of properties being eligible to progress down the matched properties route. We carried out some testing of local data sources and have gained some experience in the procedures. However there remains work to be done with respect to the specific content and format of these local data sources in order for them to be fully utilised and this will be followed up prior to the 2023 canvass.
- 4.23** We must take follow up actions to obtain a response from unmatched properties where they have not replied to the initial communication sent by post. We are planning to utilise E-Communications for the first time, by issuing emails to matched electors registered at these properties, in order to increase the response rate and avoid the issue of further paper communications.
- 4.24** At least 2 further contact attempts must be made and at least one of these must be a personal contact, which can be by phone (where we hold a phone number for a confirmed elector) or by door to door canvass.
- 4.25** Follow up action will take place from September onwards and continue until the canvass is complete (no later than 30 November 2022). We have continued to build our canvass team and following a successful recruiting campaign we will be employing around 20 additional canvassers across all areas of Grampian.

4.26 In 2021 a small amount of door to door canvassing was carried out as the second contact method, with most visits being carried out as the third contact. With this approach, the canvassing continued right up to 30 November and core staff across our service were utilised to complete the task, at times in inclement weather. This year we intend to carry out a much greater percentage of personal contacts as the second contact, with all rural and some urban properties being telephoned or visited at this stage. The aim is to spread the visits across an extended period, using only canvassing staff (permanent and temporary) and to hopefully avoid conflicts with any major weather events by completing the task earlier.

4.27 In contrast to the 2021 campaign, where the action on the doorstep was to encourage a response, we will be reverting to the pre-Covid approach of obtaining a completed form during the canvass visit where possible.

4.28 Finally, we intend to carry out a trial of tablet canvassing.

4.29 Community Council Elections

4.30 We provided electorate data to Aberdeen City Council for a polling date of 31 March 2022 in the City Centre, Nigg and Rosemount and Mile End areas.

4.31 In Aberdeenshire, polls are scheduled on different dates across the area. We provided electorate data for nomination checking and received a request for further data in support of a poll being held on 26 May for Rosehearty Community Council. We also processed some small boundary changes as follows:

Areas moving:

From	To
Cluny, Midmar and Monymusk	Echt & Skene
Inverurie	Kintore and District
Deer	Mintlaw and District

4.32 Legislative Changes

4.33 The Elections Bill 2021-22 received Royal Assent on 28 April 2022 becoming the Elections Act 2022.

4.34 The elements of the Act which will have most impact on our services are:

4.35 The restriction of the period for which a person can apply for a postal vote. In Scotland this provision applies only at a UK Parliamentary election, with a new application being required every 3 years. The period in relation to a postal vote for Scottish Parliamentary and local government elections remains at 5 years.

4.36 Voter identification – voters will be required to produce identification in order to be able to vote at a UK Parliamentary election in Scotland. No identification is required to vote at Scottish Parliamentary or local government elections in Scotland. Applications for the issue of an Electoral Identity Document must be made to, and determined by, the Electoral Registration Officer.

- 4.37** The introduction of an online service for applying for an absent vote, including an identification checking process.
- 4.38** The removal of the 15 year limit on the voting rights of British citizens living overseas, along with changes to the registration process including how an applicant's identity and connection to a UK registration address will be verified.
- 4.39** These are clearly major changes which will require new administrative processes, amendments to our software package and, crucially, very clear messaging to electors in respect of the divergences between the rules between the different types of elections.

5. Conclusion

- 5.1** This was another set of elections delivered with the majority of staff still based at home. While in most respects these elections were quiet, there are processes which must be carried out in order for each event to be a success and which require a high level of commitment from key staff.
- 5.2** With another raft of changes to be implemented prior to the next UK Parliamentary election we must maintain a high degree of adaptability in order to successfully deliver all types of future elections, while putting the voter first.
- 5.3** Moving forward with adopting more of the provisions of the reformed canvass is our immediate priority and we look forward to seeing the results which can be produced.

Author of Report: Linda H Smith, Principal Administrative Officer



REPORT TO: Grampian Valuation Joint Board on 26 August 2022

SUBJECT: Risk Management

BY: The Assessor & ERO

1. Reason for Report

1.1 To report to the Board on risk management.

2. Recommendation

2.1 **The Board note the risk register and the plans for future reviews.**

3. Background

3.1 The Board's Code of Corporate Governance requires the identification and prioritisation of risks to the organisation's aims and objectives; the evaluation of the risks being realised and the resultant impact and finally the management of risks.

3.2 The Risk Register is subject to ongoing review with reports submitted to the Board on an annual basis.

3.3 Apart from ongoing reviews by individual risk owners, the Management Team has an overall role in reviewing the register.

4. Current Position

4.1 The strategic risk register that is provided as an appendix was formally reviewed by the Management Team on 28 April 2022 and reflects the position as at that date.

4.2 A summary of the risk status is provided in the table below.

Risk Rating	2017	2018	2019	2020	2021	2022
High	3	4	3	4	2	2
Moderate	3	3	3	3	2	1
Low	4	4	5	5	7	7
Tolerable	12	12	12	12	13	14
Obsolete	9	9	9	9	9	9
Total number of live risks	22	23	23	24	24	24

4.3 “High” level risks

- 4.3.1 The number of “High” level risks has remained the same since the last report to the Board.
- 4.3.2 Risk 1g (Environmental controls for IT Server accommodation inadequate) was reported previously and mitigation in terms of monitoring has continued. The requirement for this equipment is being reviewed as part of the ongoing discussions with Aberdeenshire Council regarding the management and migration of the Board’s IT services.
- 4.3.3 Risk 6a (Inadequate numbers of trained/skilled staff to fulfil statutory functions) remains at “High”, reflecting the continuing difficulties the organisation has faced in the recruitment of surveying personnel. The Board is currently advertising for qualified and graduate level surveyors, with closing dates for applications during June.

4.4 “Moderate” level risks

- 4.4.1 The number of risks with a ‘Moderate’ overall rating has reduced from 2 to 1 since the last report to the Board.
- 4.4.2 Risk 5i (Introduction of Registration policy changes) is still a live issue with The Elections Act 2022 introducing a number of challenges for the organisation. Close working with partner organisations including the Electoral Registration Committee of the Scottish Assessors Association, the Department of Levelling Up, Housing and Communities and Idox (the provider of the Electoral Management System) will be required, in addition to careful messaging to electors.

4.5 “Low” level risks

- 4.5.1 One risk has been reduced to the “Low” level.
- 4.5.2 Risk 6c (Over-reliance upon a small number of key Information Technology & Systems specialists) has been reduced to “Low” following the recruitment of an additional IT Analyst in November 2021 and the introduction of a comprehensive service level agreement (SLA) with Aberdeenshire Council to manage the Board’s IT systems. The SLA with Aberdeenshire Council means that the Board now has the full support of Aberdeenshire Council’s IT team in addition to specialist 3rd party contractors.

5. Conclusion

- 5.1 The identification, evaluation and control of risk are continuous processes and remain live issues for the Management Team and the organisation as a whole. The risk rating profile over time reflects the challenges that face many public sector organisations along with the responses of the organisation to those challenges. The risk register provides a useful quantitative assessment that allows stakeholders to evaluate the capacity of the organisation to maintain operational effectiveness.
- 5.2 As the organisation emerges from the Covid-19 pandemic, the risk owners and members of the Management Team are actively reviewing risk status and also seeking to identify and assess additional risks that impact on the organisation.
- 5.3 The risks will be formally reviewed at the next meeting of the Management Team.

Author of Report: Mark Adam, Assessor & ERO

Risk Description	Worst Case Outcome Scenario	Likelihood of actual occurrence (score 1 - 5)	Impact if exposure occurs (score 1-5)	Gross Score (L x I)	Initial Risk Rating	Current Controls	Quality & Effectiveness of Controls	Net Score	Revised Risk Rating	Risk Owner	Action Proposed	Review Date	Review Cycle
							Good x 0.5 OK x 0.8 Poor x 1.5						
Current Risks													
1. SAFEGUARDING PEOPLE & PROPERTY													
1a Workforce Health & Safety exposure in a varied, sometimes hazardous environment; lone working, seasonal climate, violence & aggression	Staff injury, assault; low morale, stress; sickness absence; litigation and insurance claim; backlogs and overtime cost; bad publicity; criminal prosecution	4	3	12	MOD	Risk Assessment Programme - Technical + Office + Field activities; Recognised reporting protocols; Issue of Personal Protective Equipment, where appropriate; External advice on control measures; Employee induction. Call in/out procedures documented. Mobile phones in use. Lone working devices in use. CV19 Site visit protocol established. Regular contact with staff working remotely and escalation to counselling services via Moray Council. Permanent office based working allowed where appropriate.	good	6	TOL	GMO	PPE audit required. Risk assessments to be reviewed. Lone working policy required.	01/07/2022	6 monthly
1b Fraudulent activity by employee (Valuation Roll, Council Tax and Electoral Registration)	Adverse publicity; Elected Member concern; senior staff reprimand; systems replacement; internal inquiry uses valuable resource. Removal of IER Accreditation.	3	3	9	LOW	Audit staff records; Staff training/awareness e.g. conflict of interest; Stringent checks on Valuation Roll and Valuation List amendments improved reporting from 2012/13; Audit reconciliations. ER postal vote number threshold check in place. ER duplicate name check procedure in place. Disclosure Scotland checks carried out on existing staff and new employees. Information protection course has been completed by all staff and now part of new start induction process. Disclosure refreshed every 4 years. Register of interests for all staff implemented December 2020.	good	4.5	TOL	MJA	Review access to ER/VR/CT based on operational requirements. Review Disclosure status of existing staff	01/09/2022	6 monthly
1c Fraudulent activity by employee (Financial)	Misappropriation of funds; adverse publicity; Elected Member concern; senior staff reprimand; systems replacement; internal inquiry uses valuable resource	2	2	4	TOL	Financial controls, Banking reviewed; Staff training/awareness; External check by Finance staff + audit reconciliations. Purchase card transaction logging and approval system	good	2	TOL	MJA LHS	MJA to continue close liaison with Treasurer and Accountant.	01/06/2022	3 monthly

Risk Description	Worst Case Outcome Scenario	Likelihood of actual occurrence (score 1 - 5)	Impact if exposure occurs (score 1-5)	Gross Score (L x I)	Initial Risk Rating	Current Controls	Quality & Effectiveness of Controls Good x 0.5 OK x 0.8 Poor x 1.5	Net Score	Revised Risk Rating	Risk Owner	Action Proposed	Review Date	Review Cycle
1f Elgin office accommodation may be unfit for current demands of service. Concern regarding DDA.	Health & Safety of staff compromised; poor security; inadequate storage; failure to comply with legislation e.g. DDA; poor image, operational inefficiency; morale damage	4	2	8	LOW	Service responsiveness to assessed risks. Replacement windows installed, maintenance and refurbishment programme underway. Disabled access arrangements with ground floor accommodation occupier.	ok	6.4	TOL	JAB	Alternative options to be considered as part of a wider review of estate requirements & ongoing discussions with Moray Council.	01/09/2022	6 monthly
1g Environmental controls for IT Server accommodation inadequate	IT outages due to inadequate environmental controls	4	4	16	HIGH	Mechanical ventilation installed, remote monitoring and alerts.	Poor	24	HIGH	MJA	Continue to monitor conditions. Requirement for equipment in Banff being reviewed as part of migration to Aberdeenshire IT	01/07/2022	3 monthly
2. QUALITY, SECURITY, INTEGRITY & COMMUNICATION OF INFORMATION													
2a Inadequate engagement with the Board on Governance matters in general and risk management in particular	Adverse audit report; failure to achieve service improvements; No overall organisational recognition of strategic direction	2	3	6	TOL	Financial and operational performance information reported to the Board at all meetings. The Board review the operational performance thresholds periodically. Risk analysis is presented to the Board annually.	good	3	TOL	MJA	Monitor risk.	01/11/2022	Annually
2b The service is heavily reliant upon ICT systems; loss or serious interruption of data or service e.g. fire, hacking, virus, patching, employee misuse - intentional or accidental	Loss of data and essential records; disclosure of confidential records; cost of recovering systems and data reinstatement; loss of data integrity; Elected Member concern; Partner councils' concern; adverse publicity. Increased issue of ransomware.	3	4	12	MOD	Rigid protocols for data back-up; Disaster Recovery Server; Data share with councils; Strategy of outsourcing systems and support to maximise resilience. IT Systems monitored by Aberdeenshire IT Team.	good	6	TOL	MJA	Staff training and testing required to raise awareness and reduce risk from ransomware. SLA to be finalised with Aberdeenshire Council for management of all GVJB IT systems.	01/07/2022	3 monthly
2c Inadequate corporate policy documents	Errors and omissions; avoidable accidents and loss; employee dispute and claims; adverse audit report; fraud; low morale; breach of legislation; inability to change or improve; failure to meet Corporate Governance obligations	4	2	8	LOW	HR and governance policies review programme in place. IT policy documents reviewed to comply with PSN requirements. Records Management Plan approved by Keeper. MT to monitor policies and HR to progress review programme.	ok	6.4	TOL	MT	Policy review programme to continue, to include Lone Working.	01/06/2022	6 monthly
2d Inadequate procedure documents	Errors and omissions; avoidable accidents and loss; employee dispute and claims; adverse audit report; fraud; low morale; breach of legislation; inability to change or improve; failure to meet Corporate Governance obligations	4	2	8	LOW	IT, CT and VR manuals and procedures constantly reviewed.	ok	6.4	TOL	MJA GMO JAB LHS	Ongoing review.	01/06/2022	6 monthly

Risk Description	Worst Case Outcome Scenario	Likelihood of actual occurrence (score 1 - 5)	Impact if exposure occurs (score 1-5)	Gross Score (L x I)	Initial Risk Rating	Current Controls	Quality & Effectiveness of Controls Good x 0.5 OK x 0.8 Poor x 1.5	Net Score	Revised Risk Rating	Risk Owner	Action Proposed	Review Date	Review Cycle
3.SPECIFIC BUSINESS RISKS													
3a Referencing & Records Management of our Valuation Roll, Council Tax and Electoral Registration data may be inefficient	Regular duplication of work; confusion in use of multiple references for same property	4	2	8	LOW	Staff training, Shared Directories	ok	6.4	TOL	JAB	Work practices under constant review. CT, VR & ER Manuals to be reviewed and updated. File naming convention in hand as part of our records management procedure. Digitisation of property records to be considered. Investigate use of Sharepoint for file storage.	01/07/2022	6 monthly
4.SPECIFIC GOVERNANCE RISKS													
4a Data protection	There is an unauthorised release of information.	4	3	12	MOD	Working with colleagues on SAA Governance Committee. FoI group formed at SAA. GDPR training undertaken in Spring 2018. Privacy notices have been updated. DPO has been appointed. Suppliers contracts include data processing agreements. Data breach procedure and log in place.	ok	9.6	LOW	JAB	Working with SAA Governance Committee and stakeholders on data agreements.	01/09/2022	6 monthly
5. BUSINESS PLANNING & MANAGEMENT													
5e A strategic shift in the taxation ethos	GVJB may cease to exist; function may be contracted, regionalised; staff redundancies; low morale, staff required to run down existing systems whilst preparing for replacement procedures; Errors, loss of data	3	4	12	MOD	Largely a political issue outwith specific control of the service; the SAA is actively engaged in the new devolved taxation bodies which include Revenue Scotland, the Devolved Tax Collaborative and the Tax Consultation Forum. NDR(S)Act in place SAA Project Plan in place.	OK	9.6	LOW	MJA	Monitor situation which might be subject to policy changes. Non-domestic taxation position is now settled with the NDR reforms being implemented.	01/09/2022	6 monthly
5f Inadequate funding	Essential equipment and Systems upgrade/replacement placed on hold; inability to recruit, retrain or develop staff; poor morale; service improvement opportunities lost; staff leakage	3	4	12	MOD	Board can requisition at their required level. We currently have cross discipline working practices in place.	good	6	TOL	MJA	Monitor performance closely for early detection of service degradation. Keep staff informed and involved, encourage innovation and flexible working.	Monthly	Monthly
5g Board fails to make adequate requisitions	100% service failure due to lack of funds resulting in default on property and equipment rentals, insurances, software licencing and salaries.	3	4	12	MOD	Budget scenarios presented to Board prior to budget setting meeting. Ongoing advice of Board Officers.	ok	9.6	LOW	MJA	Board Officers to liaise with constituent authorities to seek to ensure that Board requisitions are made timeously.	01/06/2022	3 monthly
5h Inadequate business continuity planning	Inability to maintain or restore essential business functions within required timescale. Failure to meet statutory deadline; audit censure, intervention; dispute with partner councils; Member concern, adverse publicity; loss of records; financial penalties; waste of time and essential resource through inability to control crisis situation	3	5	15	MOD	Business Continuity/Contingencies Plan approved and implemented. Breach notification procedure in place.	good	7.5	LOW	MJA	Contingencies plan under review	01/06/2022	3 monthly

Risk Description	Worst Case Outcome Scenario	Likelihood of actual occurrence (score 1 - 5)	Impact if exposure occurs (score 1-5)	Gross Score (L x I)	Initial Risk Rating	Current Controls	Quality & Effectiveness of Controls Good x 0.5 OK x 0.8 Poor x 1.5	Net Score	Revised Risk Rating	Risk Owner	Action Proposed	Review Date	Review Cycle
5i Introduction of Registration policy changes	Degradation of Register completeness and accuracy	5	3	15	MOD	Risk and issues register in place. Active voter engagement strategy in place. Active monitoring of legislative progress. SAA ERC, Scottish Government and DLUHC working with EMS supplier to specify and test required system amendments	ok	12	MOD	LHS	Risk and issues register to be reviewed by Senior Admin & Management Team. Continue to seek to strengthen degree of engagement with Cabinet Office/DLUHC, IER DS and Scottish Government.	Monthly	Monthly
6. SERVICE, PROCESS & DELIVERY													
6a Inadequate numbers of trained / skilled staff to fulfil statutory functions	Failure to meet statutory deadline; errors, omissions; stress, sickness absence; resignation; audit censure; public, media concern	4	5	20	HIGH	Our internal recruitment policy and RICS training scheme assists retention/recruitment of trained staff. Individual training plans for graduates/trainee valuers prepared and maintained. Skills audit of administrative personnel. Absence Management Policy applied across all offices and staff groups.	ok	16	HIGH	GMO	Arrange external opportunities for experience. Widen training across disciplines. Progress training of all Admin staff in CT, VR & ER work. Review whether Divisional approach is still appropriate for valuation section. Training plan for all new members of staff. Regular monitoring of staff welfare by supervisors. Investigate reasons for inability to recruit qualified survey staff and consider fresh approach to universities and give consideration of apprenticeships.	01/06/2022	6 monthly
6b Inadequate staff development	Inability to retain staff	4	3	12	MOD	SRDS has been implemented. HR advice on revision to SRDS obtained.	ok	9.6	LOW	JAB	Review SRDS provisions in place in comparable organisations	01/09/2022	6 monthly
6c Over-reliance upon a small number of key Information Technology & Systems specialists.	Backlogs, error and omission; stress; inability to recruit, unattractive prospect; staff leakage, insurance claims; quality deficit, deadlines missed; low morale; inability to plan and schedule	3	5	15	MOD	Advance planning - with the exception of snap elections demands are programmed. Outsourcing of services with Service Level Agreements in place. Electoral registration system outsourced to increase long-term resilience. Password management arrangements in place. Arrangement in place with Aberdeenshire IT to manage IT systems. Additional IT Analyst recruited.	good	7.5	LOW	MJA	Consider additional third party supported packages.	01/09/2022	6 monthly
6d Inconsistency of approach to tasks due to geographical spread of offices and different councils involved	Imbalance in standards and levels of performance arising out of the differing "capabilities" of our constituent councils; friction with partner councils; audit censure; loss of flexibility	5	2	10	LOW	Regular management administrative and technical group meetings, Operational manuals and Statutory requirements. Since implementation of remote working in March 2020 management has been focussed around broad process disciplines and demand with less emphasis on local office and divisional management.	good	5	TOL	JAB	Wholesale review current procedures required and to be informed by SAA NDR reform workstreams. At a national level the SAA Action Plan first published October 2017 includes an issues log. Implementation of a local issues log scheduled for 2022 as part of an overall process review.	01/09/2022	6 monthly

Risk Description	Worst Case Outcome Scenario	Likelihood of actual occurrence (score 1 - 5)	Impact if exposure occurs (score 1- 5)	Gross Score (L x I)	Initial Risk Rating	Current Controls	Quality & Effectiveness of Controls Good x 0.5 OK x 0.8 Poor x 1.5	Net Score	Revised Risk Rating	Risk Owner	Action Proposed	Review Date	Review Cycle
6e Failure of external contractor at crucial point in service cycle. (ER)	Missed deadline; contractual dispute; GVJB blamed for contractor failure; additional expense; re-tendering exercise; audit censure; media comment; friction with partner councils;	3	4	12	MOD	Revised procurement procedures implemented and supported by Moray Council Procurement team. A procurement action plan is in place. Canvass Risk Register maintained. Additional infrastructure has been procured to increase resilience.	good	6	TOL	LHS	Regular monitoring.	01/09/2022	6 monthly
6f Failure of external contractor at crucial point in service cycle. (IT)	Missed deadline; contractual dispute; GVJB blamed for contractor failure; additional expense; re-tendering exercise; audit censure; media comment; friction with partner councils;	3	4	12	MOD	Revised procurement procedures implemented and supported by Moray Council Procurement team. A procurement action plan is in place. Requirement for contingency planning by contractors. Backup network in place. Out of hours monitoring and support contracts in place. GVJB IT systems now managed by Aberdeenshire IT	good	6	TOL	MJA	Regular monitoring and quarterly meeting with Aberdeenshire IT	01/07/2022	3 monthly
6h Out of hours working for statutory events	Staff not available to process last minute registration or absent vote applications or to carry out valuation related tasks for revaluation.	3	3	9	LOW	Overtime payments or time off in lieu is granted for out of hours working. Employment contracts amended from March 2013 to provide out-of-hours availability.	good	4.5	TOL	MJA	Sufficient advance notice to staff if out of hours working required.	01/09/2022	6 monthly
6i Industrial action by Employees	Reduced capability	3	3	9	LOW	Local Level - liaison with union reps. National level - negotiations & dialogue via COSLA.	ok	7.2	LOW	MJA	Active monitoring	01/09/2022	6 monthly
Notes				Key									
Likelihood & Impact of each incident are first multiplied to provide an initial score.				CT		Council Tax							
Both Likelihood & Impact are measured on a scale of 1 = Low, 5 = High.				ER		Electoral Registration							
				KPI		Key Performance Indicator							
The initial assessment is a consideration of the risks without regard to any controls or procedures that may be in place. This provides a gross score which is an indication of the potential scale of any problems. IT IS ESSENTIAL THAT GROSS SCORE IS NOT BENEFICIALLY INFLUENCED BY CONSIDERATION OF EXISTING OR INTENDED CONTROLS.				IT		Information Technology							
				SAA		Scottish Assessors Association							
				VR		Valuation Roll							
				MT		Management Team							
				GMO		Gavin Oag							
				JAB		Jim Barron							
				KJF		Keith Fordyce							
				LHS		Linda Smith							
				MJA		Mark Adam							
				RS		Rob Strang							
				SJD		Steve Dunbar							
The manager or group then review the CONTROLS that are or should be in place to reduce the various exposures (with reality testing as appropriate) and adjust the gross score by weighting factors (good = 0.5, OK = 0.8, poor = 1.5) to provide a net risk score.													
Net risk scores are graded - TOLERABLE = < 6.5; LOW = 6.5 up to 10; MODERATE = > 10 up to 15; HIGH = > 15													
Any risks still assessed as HIGH or MODERATE should be programmed for corrective action. This should be agreed with the risk owner who should assign responsibility for taking action and the appropriate timescales. e.g. High = commence within 4 weeks; Moderate = commence within 4 months; Low = commence if resource available; Tolerable = No action													

Risk Description	Worst Case Outcome Scenario	Likelihood of actual occurrence (score 1 - 5)	Impact if exposure occurs (score 1-5)	Gross Score (L x I)	Initial Risk Rating	Current Controls	Quality & Effectiveness of Controls Good x 0.5 OK x 0.8 Poor x 1.5	Net Score	Revised Risk Rating	Risk Owner	Action Proposed	Review Date	Review Cycle
------------------	-----------------------------	---	---------------------------------------	---------------------	---------------------	------------------	---	-----------	---------------------	------------	-----------------	-------------	--------------

Risk Matrix - Likelihood

Likelihood	Description				
5	Almost certain	Will undoubtedly happen, possibly frequently	Over 90%	Annual	Imminent/near miss
4	Likely	Will probably happen, but not a persistent issue	Up to 90%	3 year	Has happened in the past
3	Possible	May happen occasionally	Up to 65%	10 year	Has happened elsewhere
2	Unlikely	Not expected to happen, but is possible	Up to 20%	25 year	Not known in this activity
1	Remote	Very unlikely this will ever happen	Less than 5%	100 year	Force majeure

Risk Matrix - Impact

Impact Score	Description					
		Impact on Service Objectives	Financial Impact	Impact on People	Duration of Impact	Impact on Reputation
5	Catastrophic	Unable to function, inability to fulfil obligations	Severe financial loss (> £)	Death	In excess of 2 years (days) to recover pre event position	Highly damaging, severe loss of public confidence
4	Major	Significant impact on service provision	Major financial loss	Extensive injury, major permanent harm	Between 1 year - 2 years (days) to recover pre event position	Major adverse publicity, major loss of confidence
3	Moderate	Service objectives partially achievable	Significant financial loss	Medical treatment required, semi permanent harm up to 1 year	Between 6 months to 1 year (½ to 1 day) to recover pre event position	Some adverse publicity, legal implications
2	Minor	Minor impact on service objectives	Moderate financial loss	First aid treatment, non permanent harm up to 1 month	2 to 6 months (hours) to recover	Some public embarrassment, no damage to reputation
1	Negligible	Minimal impact, no service disruption	Minimal financial loss (< £)	No obvious harm/injury	Minimal - up to 2 months (hours) to recover	No interest to the press, internal only

Risk Description	Worst Case Outcome Scenario	Likelihood of actual occurrence (score 1 - 5)	Impact if exposure occurs (score 1-5)	Gross Score (L x I)	Initial Risk Rating	Current Controls	Quality & Effectiveness of Controls	Net Score	Revised Risk Rating	Risk Owner	Action Proposed	Review Date	Review Cycle
							Good x 0.5 OK x 0.8 Poor x 1.5						
Obsolete Risks													
1d Storage accommodation (on and off site) may be unfit for current demands of service. Concerns regarding amount of storage space.	Inadequate storage; operational inefficiency	0	0	0	TOL	Service responsiveness to assessed risks.	good	0	TOL	MT	No longer a current risk.		
1e Banff office accommodation may be unfit for current demands of service	Health & Safety of staff compromised; cost of running repairs; poor security; inadequate storage; failure to comply with legislation e.g. DDA; poor image,	0	0	0	TOL	Regular building surveys; Patch & mend repairs as necessary; Fire and security protections and	good	0	TOL	MJA	Building now vacated and staff have moved to new purpose built office. No longer a current risk.		
4a Lack of certainty regarding duty of disclosure under Freedom of Information	No longer considered to be an issue and likelihood minimal.	1	1	1	TOL	Scottish Assessors Association - pooled expertise; Register created on types of information request received to provide guidance; Controls untested, but increasing level of staff understanding obtained from practical experience	good	0.5	TOL	IHM	Revised publication scheme implemented.		
5a Relocation of Banff office	Loss of records; interruption to service and missed deadline; contractor failure; inadequacies in facilities at new site; staff injury, complaint, claim; dispute with contractor; additional, unbudgeted costs	0	0	0	TOL	Tight project plan; Close monitoring of plan. Selective timing; Appointment + monitoring of reputable contractors	good	0	TOL	GMO	Move completed successfully. No longer a current risk.		
5b Relocation of main HQ at future date.	Uncertainty over final location; partner timeframe does not recognise essential GVJB service or Statutory deadlines; damage to staff morale; disruption to service; systems failure and related "snagging" problems at new site; staff injury, complaint; loss or damage to equipment; failure by removal contractor; unforeseen costs.	0	0	0	GOOD	Move completed successfully	good	0	TOL	AWH DGY	Move completed in June 2007, new 10 year lease.		
5c Outstanding matters in connection with new lease of HQ accommodation	Uncertainty over final location; partner timeframe does not recognise essential GVJB service or Statutory deadlines; damage to staff morale; disruption to service; systems failure and related "snagging" problems at new site; staff injury, complaint; loss or damage to equipment; unforeseen costs.	5	3	15	MOD		good	12	MOD	IHM	Lease finalised.		
5d We may be required to carry out a Council Tax revaluation	Inadequate staff resource - competencies and number; Media management; Member agendas; quality or deadline slip in ongoing service; public resistance and volume of appeals; increased staff costs	1	2	2	TOL	Records are currently maintained up to date in readiness for a Revaluation at any time	good	1	TOL	MT	Revaluation now unlikely.		
5g We may have difficulty managing the outcome of the staffing review; (equal pay legislation). Staffing review completed and Career Grade Scheme approved but not yet fully implemented.	Industrial action; poor staff morale; staff leakage; inability to replace, recruit; increased financial cost.	0	0	0	TOL	Career grade scheme to be implemented.	good	0	TOL	IHM	Review successfully completed and Career Grade Scheme implemented.		
6g Risk of Solar Flare	There is a heightened risk of increased solar flare activity peaking in 2013. Any magnetic media (disk or tape) could be wiped by such an occurrence.	1	5	5	TOL	Data in Woodhill House is located in basement, this may offer some protection. Banff and Elgin data vulnerable. Elgin archived data stored at Woodhill House.	ok	4	TOL	DGY	Industry standard precautions taken	01/03/2016	6 monthly

Risk Matrix - Likelihood

Likelihood	Description				
5	Almost certain	Will undoubtedly happen, possibly frequently	Over 90%	Annual	Imminent/near miss
4	Likely	Will probably happen, but not a persistent issue	Up to 90%	3 year	Has happened in the past
3	Possible	May happen occasionally	Up to 65%	10 year	Has happened elsewhere
2	Unlikely	Not expected to happen, but is possible	Up to 20%	25 year	Not known in this activity
1	Remote	Very unlikely this will ever happen	Less than 5%	100 year	Force majeure

Risk Matrix - Impact

Impact Score	Description					
		Impact on Service Objectives	Financial Impact	Impact on People	Duration of Impact	Impact on Reputation
5	Catastrophic	Unable to function, inability to fulfil obligations	Severe financial loss (> £)	Death	In excess of 2 years (days) to recover pre event position	Highly damaging, severe loss of public confidence
4	Major	Significant impact on service provision	Major financial loss	Extensive injury, major permanent harm	Between 1 year - 2 years (days) to recover pre event position	Major adverse publicity, major loss of confidence
3	Moderate	Service objectives partially achievable	Significant financial loss	Medical treatment required, semi permanent harm up to 1 year	Between 6 months to 1 year (½ to 1 day) to recover pre event position	Some adverse publicity, legal implications
2	Minor	Minor impact on service objectives	Moderate financial loss	First aid treatment, non permanent harm up to 1 month	2 to 6 months (hours) to recover	Some public embarrassment, no damage to reputation
1	Negligible	Minimal impact, no service disruption	Minimal financial loss (< £)	No obvious harm/injury	Minimal - up to 2 months (hours) to recover	No interest to the press, internal only



REPORT TO: Grampian Valuation Joint Board on 26 August 2022

SUBJECT: Governance

BY: The Assessor & ERO

1. Reason for Report

1.1 To update the Board on the review of HR policies and governance documents.

2. Recommendation

2.1 **It is recommended that the Board note the content of the report.**

3. Background

3.1 The Board's policies and governance documents are subject to regular review to ensure that they remain up-to-date in terms of legislative requirements, good practice and operational relevance.

3.2 As advised at the last meeting of the Board, the business as usual activities of the Assessor & ERO, and the supporting services that the Board relies upon, had been affected by a number of factors including staff vacancies and the response to the pandemic and this led to a delay in the review of a number of HR policies and governance documents.

4. Current position

4.1 A revised timetable for the review of HR policies has been provided by Moray HR colleagues and this is shown in the appendix.

4.2 The revised schedule for the review of the Governance documents is also shown in the appendix.

5. Conclusion

5.1 The review of the Board's policies and governance documents will continue throughout 2022 and revised policies and documents will be brought forward for approval at subsequent meetings of the Board.

Author of Report: Mark Adam, Assessor & ERO

HR Policy	Current Policy Date	Review Scheduled	
Confidential Reporting	2008	2022	
Eye Sight Testing	2003	2022	
Long Service Award and Certification	2009	2022	
Relocation Scheme	2010	2022	
Special Leave	2009	2022	
Staff Review & Development Scheme	2009	2023	
Adoption Leave	2009	2023	
Alcohol and Drug Use affecting work	2009	2023	
Career Grade Scheme Overview	2007	2023	
Harassment	2009	2023	
Health and Safety Management	2009	2023	
Time off for Trade Union Duties	2013	2023	
Trade Union Officer Group Consultation	2009	2023	
Disciplinary	2008	2024	
Employee Consultation Framework	2009	2024	
Protocol for Consultation	2009	2024	
Records Retention, control & management	2016	2024	

HR policy governance document review schedule

Maternity leave, pay & benefits	2009	2025	
Parental Leave	2009	2025	
Parental, maternity support leave & pay	2009	2025	
Code of Conduct	2019	2025	
Computer Use (Various)	2019	2026	
Health and Work	2019	2026	
Recruitment & Selection	2019	2026	
Smoking	2019	2026	
Grievance Procedure	2021	2026	
Governance document	Date of current document	Review period	Review Scheduled
Staff Handbook and organisation chart	2022	Periodic	As required
Staff Leaving Procedure checklist	2021	Periodic	As required
Overtime Guidance	2019	Periodic	As required
Reporting Senior Officer interests procedure	2019	Periodic	As required
Records Management Plan	2018 (Formal agreement of Keeper of Records)	Annual	2022
Contingencies Plan	2018	2yr	2022
Unacceptable Actions	2016	5yr	2022
Anti-Fraud and Corruption	2019	3yr	2022

HR policy governance document review schedule

Code of Corporate Governance	2019	3yr	2022
Financial Regulations	2019	3yr	2022
Scheme of Delegation	2020	3yr	2023
Standing Orders	2020	3yr	2023
Equalities Mainstreaming and outcomes	2021	2yr	2023
Complaints Handling	2021	5yr	2026



REPORT TO: Grampian Valuation Joint Board on 26 August 2022

SUBJECT: Complaints handling performance

BY: The Depute Assessor & ERO (Aberdeenshire)

1. Reason for Report

1.1 To report on complaints handling performance.

2. Recommendation

2.1 It is recommended that the Board consider the complaints handling performance.

3. Background

3.1 Complaints are valuable. When handled well, they can provide a low cost and important source of feedback and learning for the organisation to drive improvement and restore a positive relationship with service users who may feel let down by poor service.

3.2 2021/22 is the sixth year of operation of the revised Complaints Handling Procedure. The procedure follows the Scottish Public Services Ombudsman's (SPSO) model complaints handling procedure and comprises three stages

- Stage 1 - frontline resolution;
- Stage 2 - investigation where stage 1 is not capable of resolving the issue;
- Stage 3 - referral to the SPSO where service failure or maladministration has not been identified at Stage 2 and the issue remains unresolved.

3.3 Local authorities are required to assess complaints handling performance to provide assurance in relation to their performance, to facilitate continuous improvement and to assist in benchmarking between local authorities.

4. Current position

4.1 The SPSO's Complaints Standards Authority (CSA) developed a series of performance indicators. The format for reporting these indicators has been amended for 2022/23 onwards by the CSA and next year's report will reflect the new style and amended indicators.

4.2 Complaints performance 2019/20 to 2021/22

Indicator	2019/20		2020/21		2021/22	
	%	No.	%	No.	%	No.
Total number of complaints		16		5		11
Total number of complaints/1000 population		0.03		0.01		0.02
Complaints closed at Stage 1	100%	16	80%	4	73%	8
Complaints closed at Stage 2		0	20%	1	27%	3
Resolution outcome						
Complaints upheld at Stage 1	44%	7		0	18%	2
Complaints partially upheld at Stage 1	12%	2		0		0
Complaints not upheld at Stage 1	44%	7	80%	4	55%	6
Complaints upheld at Stage 2		0		0	9%	1
Complaints partially upheld at Stage 2		0		0	18%	2
Complaints not upheld at Stage 2		0	20%	1		0
Resolution time						
Average time for a full response at Stage 1		2 days		6 days		6 days
Complaints resolved at Stage 1 against SPSO target 5 days	100%	16	50%	2	50%	4
Complaints extended at Stage 1 beyond SPSO target 5 days		0	50%	2	50%	4
Average time for a full response at Stage 2		-		10 days		14 days
Complaints resolved at Stage 2 against SPSO target 20 days		0	100%	1	100%	3
Complaints extended at Stage 2 beyond SPSO target 20 days		0		0		0

- 4.3 The organisation has a high level of contact with stakeholders in the Grampian area and beyond with a canvass to almost 300,000 dwellings for around 445,000 electors, almost 3,000 new dwellings being added to the valuation list and 1,700 updates to the valuation rolls made relative to non-domestic properties. Despite such a widespread reach of the organisation's service provision across the Grampian area, the volume of complaints, whilst up from 2020/21, remains extremely low in 2021/22.
- 4.4 A review of the 11 complaints recorded for 2021/22 show that all of the complaints related to electoral registration matters. This review has not identified any maladministration, or any significant failure in service delivery.
- 4.5 Whilst the overall number of complaints has increased from 5 in 2020/21 to 11 in 2021/22, the low volume prevents statistically significant analysis. However, the feedback from all complaints over time, including those that have not been upheld, is utilised by the Management Team to improve communications, particularly in relation to electoral registration matters.

5. Conclusion

- 5.1 The sixth year of operation of the updated complaints handling procedure has remained effective, with ready access for stakeholders and frontline personnel seeking to resolve issues within extremely short timeframes.
- 5.2 The overall low number of complaints in 2021/22 does not readily allow a comparison of resolution times with previous years. As in previous years, no firm conclusion can be taken from the volume of complaints. Anecdotally, as complaints were limited to the electoral registration aspect of our service, it would appear that the increase in complaints from 5 in 2020/21 to 11 in 2021/22 may be attributable to the 2021/22 monitoring period coinciding with both the Scottish Parliamentary Election in May 2021 and the lead up to the Local Government Elections in May 2022.

Author of Report: James A Barron Depute Assessor & ERO

