



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 3 NOVEMBER 2023

SUBJECT: INTERNAL AUDIT ANNUAL REPORT 2022/23

BY: INTERNAL AUDITOR

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 2023, and provides an opinion on the adequacy of the control systems reviewed.

2. RECOMMENDATION

- 2.1 That the Board considers this report for 2022/23 and notes the satisfactory audit opinion derived from 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 2022/23 as reported to the meeting of the Board in January 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 27 January 2023 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. No issues were noted from this testing.

- 3.4 A report by the Assessor and ERO to the Board on 27 January 2023 agreed to a change in the Scheme of Delegation and the Code of Corporate Governance to allow the Internal Auditor to report independently from the Treasurer. This is in accordance with the Public Sector Internal Audit Standards which requires the Internal Auditor to report in their own name. This is fundamentally a point of independence and will provide greater assurance to the Board that the opinion of the Internal Auditor is independent of management.
- 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 May 2023 and reported to the Board on the 30 June 2023.
- 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 Depute Assessor and ERO (Aberdeen and Moray) has been consulted during the audit review process.

5. CONCLUSION

- 5.1 The Audit & 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
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