

## **Item: 4**

**Orkney and Shetland Valuation Joint Board: 5 November 2020.**

**Appointment of Treasurer to the Board.**

**Report by Chief Executive, Orkney Islands Council.**

### **1. Purpose of Report**

To consider appointment to the vacancy of Treasurer on the Orkney and Shetland Valuation Joint Board.

### **2. Recommendations**

The Board is invited to note:

#### **2.1.**

That the Board must appoint a Treasurer in accordance with the provisions of the Valuation Joint Boards (Scotland) Order 1995.

#### **2.2.**

The proposal that the provision of financial services to the Board migrate to being provided by Orkney Islands Council.

#### **2.3.**

That a detailed transition plan will be developed to ensure all the financial elements in connection with the service are considered.

**It is recommended:**

#### **2.4.**

That the Board appoints Colin Kemp, Senior Finance Manager (Corporate Finance), Orkney Islands Council, as Treasurer to the Orkney and Shetland Valuation Joint Board.

### **3. Background**

#### **3.1.**

The Orkney and Shetland Valuation Joint Board is required to appoint a Treasurer to the Board, following the resignation of the position holder.

#### **3.2.**

The Board considered this matter at its meeting, held on 28 September 2020, and resolved to:

- NOTE the statutory provisions in respect of appointment of a Clerk and a Treasurer, as contained in Section 4 of Schedule 2 to the Valuation Joint Boards (Scotland) Order 1995; and
- NOTE the history of appointments of a Clerk and Treasurer to the Board since 1995 (detailed in Section 4 of the report); and
- NOTE the resignations of the Clerk to the Board and the Treasurer to the Board on 29 April 2020; and
- NOTE the offer from Shetland Islands Council to continue to provide support services in relation to the functions performed by the Clerk and the Treasurer to the Board; and
- APPOINT Ms Greaves, Head of Executive Support, OIC as Clerk to the Board; and
- AGREE for an interim meeting to be arranged, to appoint the Treasurer to the Board and to present the Service Level Agreement from SIC.

### **3.3.**

This report therefore provides an opportunity for the Board to consider the appointment of a Treasurer.

## **4. Appointment of Treasurer to the Board**

### **4.1.**

The role of Treasurer provides services to the Board including budgeting, accounting, payroll, purchase and sales ledger and insurance.

### **4.2.**

It is proposed that Mr Colin Kemp, Senior Finance Manager (Corporate Finance), is appointed as Treasurer to the Board.

### **4.3.**

Financial systems within Orkney Islands Council would require to be amended to establish processes, controls, employees and accounting opening balances, should the role of Treasurer be transferred.

### **4.4.**

In the interim, Shetland Islands Council has proposed that the support for financial services can continue until such a time that the services are migrated across to Orkney Islands Council.

As this new appointment is taking place mid-way through a financial year, a detailed transition plan will be developed to ensure all the financial elements in connection with the service are considered. A high-level version of this transition plan will be presented to a future meeting of the Board.

## **5. Financial Implications**

### **5.1.**

The role of Treasurer support in a year was estimated by Shetland Islands Council to amount to £11k. This sum is applied to the provider of financial services.

### **5.2.**

It is likely that apportioned costs for Treasurer support will be higher for the transition period than has been incurred in recent years as there will be a period of familiarisation and set up of systems costs.

## **6. Legal Aspects**

The Board must appoint a Treasurer in accordance with the provisions of the Valuation Joint Boards (Scotland) Order 1995.

## **7. Contact Officer**

John W Mundell, Interim Chief Executive, extension 2101, Email [john.mundell@orkney.gov.uk](mailto:john.mundell@orkney.gov.uk).

## **8. Appendix**

Appendix 1: Activities currently undertaken and the impact of transfer in relation to the role of Treasurer.



# Orkney & Shetland Valuation Joint Board



## Appendix 1

### Impact of transferring activities to Orkney Islands Council in relation to the roles of Treasurer to the Board

Treasurer – activity	Impact of transfer
Monitoring of budgets and monthly engagement with Assessor to agree projections for year-end	Establishment of separate ledger within Financial Management System (FMS) of Orkney Islands Council
Monthly production of budget monitoring variance reporting	Establishment of FMS reporting for budget responsible officer; Understanding of reporting structure of constituent authorities
Quarterly production of budget monitoring committee papers	Establishment of FMS reporting to inform projections and committee reporting; Understanding of reporting structure of constituent authorities
Annual production of statutory accounts	Establishment of separate ledger within Financial Management System (FMS) of Orkney Islands Council; Establishment of opening balances from 2020/21 accounts; Establishment of internal processes to ensure appropriate control and recording of transactions
Annual engagement with auditors around statutory accounts	Time - existing skillset for OIC accounting team
Annual production of committee reports for Finance related items, including Draft Audit Plan; Unaudited Accounts; Annual Audit Report; Audited Annual Accounts; Budget Revenue Estimates; Budget Strategy.	Time - existing skillset for OIC accounting team
Annual completion of Local Financial Return	Time - existing skillset for OIC accounting team
Annual engagement with Assessor to agree payroll budgets	Time - existing skillset for OIC accounting team



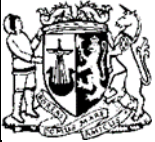
# Orkney & Shetland Valuation Joint Board



## Appendix 1

### Impact of transferring activities to Orkney Islands Council in relation to the roles of Clerk and Treasurer to the Board

Treasurer – activity	Impact of transfer
Annual preparation of Revenue Estimates	Time - existing skillset for OIC accounting team
Annual preparation of Budget Strategy	Time - existing skillset for OIC accounting team
Finance representation at Board meetings	Time - existing skillset for OIC accounting team
Payment of all Board invoices	Establishment of separate organisation within OIC purchase ledger system and setup of suppliers
Administration of the Board's Petty Cash	Time - existing skillset for OIC Finance team
Payment and administration of the Board's Corporate Credit Card	Cancellation of SIC-administered credit card and establishment of OIC supplied card
Raising of all Board sales invoices	Establishment of separate organisation within OIC sales ledger system and setup of suppliers
Debt recovery in relation to unpaid sales invoices	Transfer of historic cases; any legal proceedings underway would likely need to be carried to completion by SIC
Administration of employee and indemnity insurance	Cancellation of SIC insurance policy and establishment of OIC policy (or separate recharge arrangement)
Operation of payroll services for the Board's employees	Establishment of separate payroll within OIC payroll system and setup of employees



# Orkney & Shetland Valuation Joint Board



## Appendix 1

### Impact of transferring activities to Orkney Islands Council in relation to the roles of Clerk and Treasurer to the Board

Treasurer – activity	Impact of transfer
Monthly production and distribution of payslips for Board's employees	Time - existing skillset for OIC payroll team
Monthly submission of payroll information to HMRC	Time - existing skillset for OIC payroll team
Monthly payments to third parties of payroll deductions (eg union dues)	Time - existing skillset for OIC payroll team
Annual production and distribution of P60s	Time - existing skillset for OIC payroll team
Annual production and distribution of P11Ds	Time - existing skillset for OIC payroll team