

Item: 16

Orkney and Shetland Valuation Joint Board: 3 March 2022.

Provision of Support Services.

Report by Clerk to the Board.

1. Purpose of Report

To consider the arrangements for provision of support services to the Orkney and Shetland Valuation Joint Board.

2. Recommendations

The Board is invited to note:

2.1.

That support services to the Orkney and Shetland Valuation Joint Board have historically been provided by the constituent Council which provides the roles of Clerk and Treasurer to the Board.

2.2.

That, with the transfer of the roles of Clerk and Treasurer from Shetland Islands Council to Orkney Islands Council having taken place, the provision of support services requires clarification and confirmation.

2.3.

That the 2020/21 Annual Audit Report recommended that the Board should review its internal governance documents and consider the provision of internal audit services to the Board.

2.4.

The proposals for the provision of Human Resource, Governance Advice, Financial Services and Internal Audit, as set out in section 4 of this report.

It is recommended:

2.5.

That support services to the Board in respect of Human Resources, Governance Advice, Financial Services and Internal Audit are provided by Orkney Islands Council.

2.6.

That, until the Board adopts its own Financial Regulations and Contract Standing Orders, Orkney Islands Council's Financial Regulations and Contract Standing Orders be adopted meantime.

3. Background

3.1.

Support services to the Orkney and Shetland Valuation Joint Board (VJB) have historically been provided by the constituent Council which provides the roles of Clerk and Treasurer to the Board. These support services consist of Human Resources, Governance Advice and Financial Services.

3.2.

As the transfer of the Clerk and Treasurer roles from Shetland Islands Council to Orkney Islands Council has taken place, provision of these support services requires clarification and confirmation.

3.3.

The 2020/21 Annual Audit Report recommended that the Board should consider the provision of internal audit services to the VJB ensuring that internal audit coverage is sufficient and appropriate for the VJB.

3.4.

In addition, the 2020/21 Annual Audit Report stated that the Board should review its internal governance documents, ensuring that its constitution is appropriately tailored and up to date and supported by VJB-specific Financial Regulations, Contract Standing Orders and other governance documents as appropriate.

3.5.

Legal advice is currently being commissioned through a procurement exercise and the outcome of this will be reported to the next meeting of the Board.

4. Support Services

4.1.

It is proposed that Governance Advice will be provided through the Clerk to the Board, with assistance from the Head of Legal and Governance, Orkney Islands Council. This will ensure that consideration of matters being presented to the Board will be assessed as to comply with governance arrangements and whether external legal advice is required. Work is ongoing to develop revised tailored governance documents for the Board to consider at a future meeting. The Head of Legal and Governance will be in attendance at meetings of the Board to provide governance advice to the Board.

4.2.

It is proposed that Human Resource (HR) services will be provided by the Head of Human Resources and Organisational Development, Orkney Islands Council. At present the staff of the VJB are operating under the HR policies of Shetland Islands Council and work will commence to develop policies that are specifically tailored to the Board, as recommended in the 2020/21 Annual Audit Report. This is a significant piece of work, and a plan and timeframe will be developed with the new Assessor to progress it. The Head of Human Resources and Organisational Development will be in attendance at meetings of the Board when required to provide HR advice to the Board.

4.3.

Financial Services including the provision of Accounting, Budgeting, Debtors, Payments and Payroll services are provided through the Treasurer to the Board and transferred to Orkney Islands Council systems effective from 1 April 2021. Work will be required to develop tailored Financial Regulations and Contract Standing Orders for the VJB. Until this time it is proposed to adopt Orkney Islands Council's Contract Standing Orders and Financial Regulations. These documents are available to view here:

<https://www.orkney.gov.uk/Council/F/Financial-Regulations.htm>.

<https://www.orkney.gov.uk/Council/C/Contract-Standing-Orders.htm>.

4.4.

The 2020/21 Annual Audit Report noted that there have been no VJB-specific internal audits carried out in over a decade. It is therefore essential that an Internal Auditor is appointed as it is no longer suitable to rely on the constituent Councils' internal audit programme to provide assurance to the Board. The Board could procure the services of a Chief Internal Auditor or appoint the Chief Internal Auditor of Orkney Islands Council. The latter option would deliver the best value and it is proposed to appoint the services of Orkney Islands Council's Chief Internal Auditor. An internal audit plan for the Board will be developed and submitted to the Board at a future meeting.

4.5.

In respect of attendance at Board meetings, it is proposed that the support officers, or their nominated representative from their respective service areas, attend meetings of the Board. In addition, attendance at meetings of the Board by the Chief Executives of the constituent Councils will revert to being by invitation on an 'as and when required' basis as determined by the Convener and the Assessor.

5. Financial Implications

5.1.

The provision of support services from Orkney Islands Council would be apportioned through the established procedure for the recharging a share of the centrally provided support services to the client services.

5.2.

The cost of apportioned costs is currently estimated at £28,000 for financial year 2021/22, noting that this position will be reviewed once the transition of support services from Shetland Islands Council is completed.

6. Governance Aspects

The content and implications of this report have been reviewed and, at this stage, it is deemed that the Board **DOES NOT** require external legal advice in consideration of the recommendations of this report.

7. Contact Officer

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