

Item: 7

Orkney and Shetland Valuation Joint Board: 3 March 2022.

Annual Audit Report 2020/21 – Action Plan.

Report by Clerk to the Board.

1. Purpose of Report

To provide an update on progress with the Action Plan arising from the Annual Audit Report on the 2020/21 Audit of Orkney and Shetland Valuation Joint Board.

2. Recommendations

The Board is invited to note:

2.1.

The revised Action Plan, attached as Appendix 1 to this report, which incorporates actions arising from the Annual Audit Report on the 2020/21 Audit, as well as the actions arising from the 2019/20 Audit.

2.2.

That a further update on progress will be presented to the Board, at its meeting to be held in June 2022.

3. Action Plan Progress

3.1.

On 21 November 2021, the Board considered progress on the agreed Action Plan arising from the Annual Audit Report on the 2019/20 Audit.

3.2.

Following the Annual Audit for 2020/21, a revised Action Plan has been developed to include actions arising from that Audit.

3.3.

The Action Plan has been updated and is attached as Appendix 1 to this report.

4. Financial Implications

Other than the specific items listed in the Action Plan, which will be addressed separately by the Board, there are no financial implications arising directly from the report.

5. 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.

6. Contact Officer

Karen Greaves, Clerk to the Board, Email karen.greaves@orkney.gov.uk

7. Appendix

Appendix 1: Action Plan – Recommendations for Improvement.

**Orkney and Shetland Valuation Joint Board
Action Plan - Recommendations for Improvement - 2020/21 Annual Audit**

Appendix 1

	Area	Recommendation	Management Response	Lead	Target Date	Progress / Update
1	Leadership	The Board should hold a meeting as a matter of priority to properly consider the timeline of changes to the Assessor's contract and consider delegating signing authority to a named officer to issue an appropriately revised contract to the Assessor, implementing the earlier 30 September decision.	The Report recommendations are accepted and agreed. The Board will properly consider this matter at the special meeting of the Board in January 2022.	Clerk	31/01/2022	Complete. This matter was considered at the Board meeting held on 20 January 2022. A revised contract has been issued by the Clerk.
2	Governance and Transparency	The VJB 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.	The Report recommendations are accepted and agreed. The VJB will review its internal governance documents.	Clerk	31/12/2022	In Progress. First draft of Standing Orders developed for consultation.
3	Governance and Transparency	A comprehensive analysis of the skills and competencies required of the Board and Leadership team should be completed and the current post-holders assessed against these. A clear training plan or alternative arrangements should be put in place to address any gaps identified.	The Report recommendations are accepted and agreed. The VJB will undertake the skills analysis and appropriate training for the Board and Leadership Team.	Clerk	31/12/2022	In Progress. The Clerk is working with the Improvement Service to develop this. Additionally, training for Members will form part of the Induction Programme.
4	Leadership	The VJB should undertake a comprehensive root-cause analysis and 'lessons learned' review given the number and significance of the issues identified during our audit. A clear improvement plan needs to be developed to implement the findings of this review.	The Report recommendations are accepted and agreed. The VJB will undertake an appropriate review.	Clerk	31/12/2022	In Progress.
5	Financial Management	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.	Internal audit services are to be provided by OIC. These arrangements will be reviewed during the year.	Treasurer	31/12/2022	This will be considered by the Board at its meeting on 3 March 2022.

	Area	Recommendation	Management Response	Lead	Target Date	Progress / Update
6	Procurement	The VJB should consider whether the significant issues identified with regards to the consultant Depute Assessor are isolated or indicative of wider issues in the VJB's procurement processes. This review should assess the robustness of the VJB's processes and controls, compliance with them, and whether relevant individuals have sufficient training to implement them.	The Report recommendations are accepted and agreed. The VJB will undertake an appropriate review and make sure senior staff are aware of Procurement law and regulations in all future instances.	Assessor	01/02/2022	Complete. Senior management of the VJB will follow and reflect Procurement law and regulations in all future instances. In place for 01-02-2022.
7	Governance and Transparency	The Board should consider how technology can be utilised to further engage stakeholders and demonstrate continuous improvement in its journey of increasing openness and transparency, including live-streaming meetings or permitting remote live-access to meetings.	OIC currently live-stream their main committee meetings and are due to extend this arrangement to sub-committees meetings. These arrangements will be reviewed by the Board thereafter.	Clerk	31/03/2022	In Progress. The Board will consider this matter at its meeting on 3 March 2022.
Follow up of 2019/2020 actions						
1	Governance and Transparency	The VJB should engage an independent review of its governance framework and the effectiveness of governance within the organisation	The Board will seek to commission a review of its governance arrangements. Any review can only take place following the appointment of the substantive Proper Officers to the Board which is the immediate priority for the Board.	Chief Executive of OIC/ Chief Executive of SIC.	31/03/2021	Complete - this action will be removed from future versions of this Action Plan.
2	Governance and Transparency	The VJB should undertake training to ensure that the Board and management are clear in their understanding and roles and responsibilities in line with the VJB's own governing documents and good practice.	The Board commits to provide training to elected members and officers.	Chief Executive of OIC/ Chief Executive of SIC.	31/03/2022	An informal seminar is scheduled for 26 Nov 21. Following this a seminar on roles and responsibilities, and to identify future topics and priorities for an induction programme, has been arranged to be delivered together with the Improvement Service on 25 Feb 22. A new programme will be developed following recess in 2022.
3	Value for Money	The robustness of performance reporting and reporting against Best Value should be improved by clearly setting out historical performance targets in addition to current performance, to enable monitoring of improvement. Reporting on Best Value should be clearly linked to the themes of Best Value set out in statutory guidance.	The Board will seek to incorporate the suggested changes into its regular performance reports.	Assessor.	30/06/2021	Complete - this action will be removed from future versions of this Action Plan.

	Area	Recommendation	Management Response	Lead	Target Date	Progress / Update
4	Financial Sustainability	When developing its Medium-Term Financial Plan (MTFP) the VJB should make reference to the key principles of public service reform - prevention, performance, partnership and people - and how these key principles are reflected in the VJB's financial planning. There should be clear links to the Scottish Government MTFS, the VJB's corporate plan and outcomes.	The VJB will develop its own MTFP, which has been delayed during the last year due to delays in the 2020/21 annual budgeting cycle and the CV19 Pandemic. The development of the MTFP will need to factor in the pay and grading model.	Treasurer	31/03/2022	The Board will consider a draft MTFP at its meeting on 3 March 2022.
5	Financial Sustainability	The VJB should consider developing a workforce plan, setting out (i) its current workforce, (ii) the workforce it currently needs, (iii) the workforce it needs in the future, (iv) the gaps between the current workforce and the needed workforce and (v) actions to fill those gaps (recruitment, training, automation, changing service provision)	The Board is committed to developing its own workforce development plan, however the Board considers it prudent to progress this recommendation once the outcome of a new pay and grading model is known, if approved by the Board.	Assessor	31/12/21	Complete - this action will be removed from future versions of this Action Plan.