

MEETING: 10 MARCH 2022

REPORT BY: SECRETARY TO THE COMMISSION

STATUTORY REPORT – ORKNEY AND SHETLAND VALUATION JOINT BOARD

Purpose

1. The purpose of this paper is to introduce for the Commission's consideration the Controller of Audit's statutory report on a matter arising from the 2020/21 audit of the Orkney and Shetland Valuation Joint Board ('the VJB').

Orkney and Shetland Valuation Joint Board

2. The VJB is an independent body, established by the Valuation Joint Boards (Scotland) Order 1995. Its primary purpose is to discharge all the functions of its two constituent councils, Orkney Islands Council and Shetland Islands Council, as required by legislation relating to the Valuation Roll and the Council Tax Valuation List.

The Controller of Audit's report

3. The Controller of Audit's report draws attention to matters identified by the appointed auditor in his 2020/21 annual audit report on the VJB. The auditor issued an unqualified opinion on the financial statements but identified significant issues in relation to governance and decision-making at the VJB, some aspects of which had been reported in previous annual audit reports. In particular, the appointed auditor highlights concerns about the way in which the VJB managed the contracts and pay awards for the Assessor – the most senior member of staff at the VJB – and the Depute Assessor, who was employed on a consultancy basis.
4. The report is made by the Controller of Audit to the Commission under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003).
5. The legislation enables the Controller of Audit to make reports to the Commission with respect to:
 - the accounts of local authorities audited under the Act;
 - any matters arising from the accounts of any of those authorities or from the auditing of those accounts being matters that the Controller considers should be considered by the local authority or brought to the attention of the public; and
 - the performance by a local authority of their statutory duties in relation to best value and community planning.
6. A copy of the report is being sent to the VJB, which is obliged to supply a copy to each member of the Board and to make additional copies available for public inspection. Once the Controller of Audit's report is sent to the VJB it is effectively in the public domain.

Procedure

7. The legislation provides that, on receipt of a Controller of Audit report, the Commission may do, in any order, all or any of the following, or none of them:
 - direct the Controller of Audit to carry out further investigations
 - hold a hearing
 - state its findings.
8. Findings may include recommendations and the persons to whom those recommendations may be made include Scottish Ministers, who have powers to make an enforcement direction requiring an authority to take such action as is specified in the direction.
9. Members of the audit team will be present at the Commission's meeting and will be available to answer questions on the evidence and judgements presented in the report. This is done in the public part of the Commission meeting.
10. The Commission is then expected to consider in private how it wishes to proceed. Subsequently, the Commission is obliged by statute to inform the VJB of its decision, which the Commission does before making the decision public.

Conclusion

11. The Commission is invited to:
 - a) consider the Controller of Audit's statutory report on a matter arising from the 2020/21 audit of the Orkney and Shetland Valuation Joint Board; and
 - b) decide in private how it wishes to proceed.

Paul Reilly
Secretary to the Commission
1 March 2022