

Joint Boards

Questionnaire to Support Evidence of Assurance for the Annual Governance Statement

For the year end 31 March 2017

Name of Board	Lothian Valuation Joint Board				
Completed by	Graeme Strachan	Job title	Assessor and ERO	Date completed	13/4/17
Signed off by (signature)		Job title			
Print name of signatory		Date of signature			

Introduction

The Statement of Accounts 2016/2017 includes the Annual Governance Statement signed by the Assessor. The Annual Governance Statement includes the Treasurer's Statement which is supported by the Certificate of Assurance.

The Certificate of Assurance requires the Assessor to confirm that:

1. They have considered the effectiveness of internal controls, including controls in place to mitigate major risks to the Board's objectives;
2. To the best of their knowledge, appropriate controls are in operation upon which they can place reasonable assurance and that there are no significant matters arising that should be raised specifically in the Annual Governance Statement (or otherwise);
3. They have identified actions that will be taken to continue improvement.

This questionnaire should be used as a prompt for the Assessor to consider various aspects of good governance and the internal control environment before signing the Certificate of Assurance. It is not an exhaustive list.

Guidance notes for completing the questionnaire

The questionnaire should be completed by the Assessor or by a nominated officer. Before signing the Certificate of Assurance the Assessor should ensure that this questionnaire has been completed accurately.

Guidance notes are provided throughout the document but if you have any questions please email the Council's Governance Team at governance@edinburgh.gov.uk.

Please note that although evidence does not need to be attached to the completed questionnaire, accurate reference should be made to any supporting evidence. **This is because responses made in the questionnaire may be subject to audit at a later date.**

Your assessment should consider how your board's arrangements would stand up to external scrutiny. When completing the questionnaire please include a numeric assessment of the board's compliance:

1. no arrangements in place
2. major weaknesses/significant improvement required
3. partial compliance
4. full compliance.

Please return your completed questionnaire to governance@edinburgh.gov.uk no later than Friday **14 April 2017**.

Internal Control Environment, Risk and Resilience	Guidance notes	Response and reference to evidence	Assessment 1-4
1	Do you have internal controls and procedures in place throughout the Board that are proportionate, robust, monitored and operating effectively?	<p>Please describe and/or give examples of the controls and procedures that you have in place and how these are monitored, tested and reported.</p> <p>There are 3 main areas where controls exist. These are the principle functional systems that support VR, CT and ER, the network system controls and associated security, and the controls associated with the financial systems. (it should be noted that the financial systems in use are those operated by CEC and accessed by Board staff, and as such are subject to the controls and procedures imposed by CEC)</p> <p>In addition the Board operates suite of HR policies and procedures that provide additional aspects of control.</p> <p>Functional systems are supported by procedural requirements accompanied by hierarchical authorisation. In addition certain actions are subject to system self-checking and in-built procedural requirements.</p> <p>The IT system network is subject to its own security requirements and password control, with the user required to undertake security awareness training. An ICT Security Policy is in place and subject to regular review.</p> <p>Within the Board a small internal audit team is operational, undertaking amongst other tasks, regular monthly audit activity on key transactional processes.</p> <p>Evidence: internal audit reports, system protocols and procedures, ICT Security Policy</p>	4
2	Do your risk management arrangements identify the key risks to the Board, including those arising from: change (e.g. structural, service delivery, demographic and/or management); partnerships (external and internal) and projects?	<p>Please describe your risk management arrangements and confirm that the three categories listed are included (where relevant).</p> <p>Risk management is embedded within the Board. Risk identification, discussion and mitigation is a standing item on all senior group meeting agendas.</p> <p>A strategic risk register is reviewed twice yearly and a rolling risk register records short term risks associated with current priority issues, events and projects. The rolling risk register is reviewed at every 6 weekly senior management group meeting.</p> <p>In addition all major activities and deliverables are underpinned with a detailed project plan and timetable which incorporates risk identification and mitigation where appropriate.</p> <p>Change management within the Board is invariably linked to legislative changes that impact on service delivery. The most recent being the introduction of IER, the next anticipated relate to</p>	3/4

			<p>NDR and are currently under consultation. The Board through the SAA is well placed to participate in the consultation process and as a result risks arising from legislative change are subject to mitigation and planning in advance of the date of change and implementation.</p> <p>During 2017/18 the organisation has committed to a Transformation Programme. This is currently at very early stages however it shall require the creation of a specific risk register. This shall be created shortly and maintained throughout the duration of the Programme.</p> <p>The Board does not directly engage with partners for the purposes of service delivery although 3rd party engagement is in place for elements which contribute to the overall delivery. For example 3rd party software suppliers and other service providers such as printers, royal mail etc. Where necessary risks arising from these partnerships are identified within risk registers and/or project plans.</p> <p>Evidence: risk registers, project plans, meeting agendas</p>	
3	<p>Do you have effective controls and procedures in place to manage the risks identified above to a tolerable level? Where this is not the case, have actions been identified that, once put in place, will ensure the risk is managed to a tolerable level?</p>	<p>Please describe the controls and procedures that you have, or plan to put, in place.</p>	<p>All major projects are subject to detailed project management and a detailed project timetable. This detailed identification of actions within a timetable allows for the identification of risks and mitigation action to be agreed.</p> <p>The rolling risk register allows for the recording and discussion of major risks identified within project timetables as part of senior management activity.</p> <p>Due to the nature of certain elements of service delivery the major risks come from unexpected and short term high volume workloads. The project plan provides an opportunity to anticipate these occurrences and allow mitigation steps to be determined in advance.</p> <p>Evidence: project timetables, rolling risk register</p>	3/4

4	Do you have effective controls and procedures in place to manage the risks in delivering services through contracted parties and/or other partners, where applicable?	Please describe the controls and procedures that you have in place.	We do not deliver services through any 3 rd party. We only use contracted 3 rd parties to provide services that aid parts of the overall process, for example 3 rd party software.	4
5	Has the monitoring process applied to funding/operating agreements identified any problems that could have an impact on the Annual Accounts?	Please describe the arrangements you have in place, including an overview of the monitoring process and frequency of reporting, and summarise any problems that have been identified.	The Board does not have any funding/operating agreements. All funding is received directly from the constituent councils of the Board. The Board has received separate funding during 2016/17 direct from the Cabinet Office in respect of IER. Neither of these shall have an impact on the Annual Accounts.	4
6	Are the Board's risk management, internal controls and procedures and their effectiveness reviewed regularly?	Please describe how these are reviewed, by whom and how often.	The strategic risk register is reviewed every 6 months. The rolling risk register is reviewed at every 6 weekly senior management group meeting. Project plans and timetables are in constant review when in use. LVJB internal audit review on a monthly basis CT and VR activity and report accordingly. ICT Security Policy is subject to regular review. CEC Audit and Audit Scotland undertake audit reviews annually. Evidence: audit reports, ICT Security Policy, SMG agenda	4
7	Did the last review of the Board's internal control environment identify any weaknesses that could have an impact on the Annual Accounts?	Please include the date of last review, whether any weaknesses were identified and, if so, how these have been or will be addressed	Audit Scotland identified low priority action point in respect of the reconciliation of the input and output controls relating to council tax and valuation roll updates, and periodic checks between the list/roll to the Register of Sasines. During the period January to March these actions had not been adequately evidenced by the internal LVJB team. This has now been corrected. This matter would not have affected the annual accounts. The report also recommended that the Local Code of Corporate Governance be reviewed and updated as necessary. To be actioned by July 2017. Evidence: Audit Scotland Report 2016	3

8	Do your business continuity plans and arrangements mitigate the business continuity risks facing the Board's essential activities?	Please detail the plans and arrangements you have in place and explain how and when these are reviewed and reported.	The BCP provides access to alternative accommodation within which the Boards system network can be replicated within 24/48hours of a disaster occurring. This provides considerable comfort to the requirement to be able to continue to deliver the key services of the Board at critical times. Evidence: BCP	3/4
9	Do your risk management arrangements adequately identify the risk(s) of any actual or prospective legal action being taken against the Board, or any matter which may actively lead to legal dispute with the Board?	Please outline the arrangements you have in place.	The Boards key service delivery areas are all defined by statute and legislation. Within that framework redress is available through legislative appeal procedures. Possible action arising from the actions of management and/or staff in pursuit of their duties and responsibilities are not in themselves currently considered under Risk Management. This matter shall be further considered.	2/3
10	Do you have adequate arrangements in place to identify any matters which give rise to a significant risk of reputational damage to the Board?	Please describe the arrangements you have in place.	Please see above.	2/3
Performance		Guidance notes	Response and reference to evidence	Assessment 1-4
11	Where performance monitoring identifies inadequate service delivery or poor value for money, do you have arrangements in place for reporting to your senior management team and/or the Board?	Please describe your performance monitoring arrangements, including frequency of reporting, and provide detail of any such reports during the reporting period.	The Assessor provides quarterly performance reports to the Board which fully indicate achieved performance levels against target requirements. The Board is required to submit Key Performance Indicator information to Scottish Government every year, and the Electoral Commission assess Electoral function performance against a set of nationally agreed performance standards. In addition a full annual performance report is supplied by the Assessor to the Board in support of the unaudited accounts, while a performance target report for the year ahead is supplied in February to support the budget planning/setting process. Evidence: Board Reports	4

12	Do you have arrangements in place to implement and monitor improvement measures to address any service delivery or performance problems?	Please describe the arrangements you have in place, give details of improvement measures introduced during the reporting period and outline any outstanding issues.	There are no outstanding issues. The Board delivers a range of statutorily defined services which are underpinned by legislation requirement. This reduces the scope for non-delivery or poor performance. Performance is measured against KPI's and the targets indicated within that framework. Ongoing performance is monitored at senior management meetings and any identified problem is quickly addressed and mitigated. Evidence: Board Reports	4
13	Do you have appropriate arrangements in place for recording, monitoring and managing customer service complaints and customer satisfaction?	Please describe the arrangements you have in place and how these are monitored, reviewed and reported.	<ol style="list-style-type: none"> 1. The Board has a Complaints procedure accessed by the public on demand or via intranet. All complaints are dealt with by a dedicated Complaints Officer. 2. Complaints register is maintained. Evidence: web site	4
Policies and regulatory requirements		Guidance notes	Response and reference to evidence	Assessment 1-4
14	Do you have arrangements in place to ensure staff are made aware of and fully understand the implications of relevant existing and new Board policies?	Please describe the arrangements you have in place.	New policies or major amendments to existing ones are brought directly to staffs' attention via email with direction to the full policy on the intranet. If necessary a power point presentation or face to face discussion on a policy shall be undertaken.	4
15	Do you have procedures in place to monitor staff compliance with relevant conduct policies and procedures eg. employee code of conduct, anti-bribery, whistleblowing?	Please describe the procedures that are in place eg. recording gifts and hospitality, recording conflicts of interest, bringing whistleblowing issues to the attention of senior management, etc.	A Policy on Public Interest Disclosure (Whistle Blowing Policy) and a Gifts and Hospitality Register are in place. Conflicts of Interest form part of the Code of Conduct Policy which has been recently revised to strengthen this particular area. Evidence: Policy documents	4

16	Do you have arrangements in place to ensure all staff are aware of their responsibilities under information governance legislation e.g. Data Protection Act 1998 and Freedom of Information (Scotland) Act 2002?	Please describe the arrangements you have in place and how these are monitored and reported.	Data Protection awareness is known by existing staff, new staff receive appropriate induction training. In particular, the public enquiries/requests for information received under these Acts are dealt with by specific nominated senior staff. This area is currently under review given the new responsibilities due to be introduced for DP in 2018.	3
17	Are all staff aware of their responsibilities under relevant health and safety policies and procedures, including: 1. Health and Safety 2. Fire Safety 3. First-aid and Emergency Procedures 4. Stress 5. Accident, incident and work-related ill health reporting procedure 6. All other relevant health and safety policies and procedures (e.g. Asbestos, Water Safety)? (Please amend to reflect the relevant policies and/or procedures for your organisation)	Please describe the arrangements you have in place to meet these requirements and how these are monitored.	All of these H and S issues are fully supported in the office and staff should be aware. The staff intranet provides guidance and information as appropriate. Weekly fire alarm tests undertaken along with periodic fire evacuation drills. Staff are informed of issues arising from these tests. The Board has a Health and Safety Committee comprising management, staff and union representatives that meets on a regular basis. Staff are informed by email of any issues arising directly from the Committee. A Stress Policy is in place. First aiders are in place and subject to training. Incident recording and absence management policy is in place. Where any new H and S threat or issue arises staff are informed either by direction to a policy or by email. For example a meeting with mail room staff to discuss handling of suspicious letters/envelopes at 2015 General Election when a national security warning was in place. Current "lone working" arrangements shall shortly be reviewed. Evidence: relevant Policies/Guidelines, H and S agenda/minutes	4
18	Do you have appropriate arrangements in place for establishing, implementing and maintaining procedures for the ongoing hazard identification, risk assessment and determination of necessary controls to ensure all health and safety risks for	Please describe the arrangements you have in place and how these are monitored, reviewed and reported.	The Health and Safety Committee supported by the HR Manager, who has access to all CEC update material, undertake this role. Periodic H and S inspections of the premises are undertaken and action taken as necessary.	4

	the Board, and areas of responsibility, are adequately controlled.			
19	Do you have competencies, processes and controls in place to ensure that all areas of your organisation, and any other areas of responsibility, operate in compliance with all applicable health and safety laws and regulations?	Please describe the arrangements you have in place and how these are monitored, reviewed and reported.	See above comment re the Health and Safety Committee, in addition the Board engages a Facilities Management company to undertake all building maintenance and ensure all statutory testing is undertaken. For example, emergency lighting, PAT, water.	4
Financial Control		Guidance notes	Response and reference to evidence	Assessment 1-4
20	Is the operation of financial controls effective in ensuring the valid authorisation of financial transactions and maintenance of accurate accounting records?	Please describe your financial controls.	<p>The Board has access to and can only undertake financial transaction through the systems provided by CEC. The Board is therefore subject to procedures and protocols associated with those systems as directed by CEC.</p> <p>All accounting is undertaken for the Board by CEC accountants this includes monthly monitoring, projection reports, unaudited and audited accounts, and all budgetary reporting to the Board.</p> <p>The Assessor and accountant work closely together in all aspects of budget monitoring and accounts maintenance.</p> <p>In respect of authorisation, only one member of staff, the Assessor, has the ability to authorise payment of an invoice, and /or to authorise an order. The Assessor is not able to place the order himself this is undertaken by the Finance Officer. No single person is able or has access rights to the system that allows that person to place an order and authorise invoice payment on that order. There are no over-rides that senior staff can carry out that would undermine the current process.</p> <p>Evidence: Treasurer’s reports to the Board</p>	4

21	How confident are you that the arrangements you have in place to monitor expenditure/budget variances would identify control problems or variances that could have an effect on the Annual Accounts?	Please give details of the arrangements you have in place and if any control problems or variances have been identified.	No such problems or variances have been identified. Detailed monthly monitoring reports are provided by the accountant who shall seek information on any perceived /anticipated variances. Quarterly projections are prepared by the accountant and Assessor and provided to the Board. These indicate anticipated year end projections and month on month variances. Evidence: Treasurers reports to the Board	4
22	Do you have arrangements in place to ensure all material commitments and contingent liabilities (i.e. undertakings, past transactions or events resulting in future financial liabilities) are notified to the Treasurer or Chief Finance Officer?	Please describe the arrangements you have in place and provide details of any such notifications to the Treasurer.	Yes this would be the case. The introduction of Individual Electoral Registration (IER) has led to the possibility of future financial liabilities to the Board beyond current and projected budget allocation. This has been reported to the Treasurer and a contingency plan created. This has been notified to the Board. Evidence: Treasurers report to the Board dated	4
23	Do you have arrangements in place to protect assets against theft, loss and unauthorised use and identify any significant losses?	Please describe the arrangements you have in place and if there have been any significant losses please detail these and outline any corrective action that has been, or will be, taken.	No significant losses identified. Most of the important assets are ICT based and policies and procedures are in place to identify any unauthorised use. The building is externally and internally secure. External CCTV is in operation.	4

24	Do you have arrangements in place to review the adequacy of insurance provision and its adequacy in covering the risk of loss to the Board?	Please describe the arrangements you have in place including the frequency of review and date of last review.	Last review September 2016. All Board insurance is arranged through CEC and any recommendations adopted. Evidence: 2016 CEC summary statement of Insurance Policies	4
25	Do you have arrangements in place that would identify any internal control, risk management or asset valuation problems that could affect the Annual Accounts?	Please describe the arrangements you have in place and detail any problems that have been identified.	None that I am aware of.	4
National Agency Inspection Reports		Guidance notes	Response and reference to evidence	Assessment 1-4
26	Where reports relating to the Board have been published during the year has there been anything within the reports that could impact on the signing of the Annual Governance Statement?	This question requires a Yes/No response rather than an assessment score. Please also list any reports published during the year.	No such reports have been published.	No
Internal Audit, External Audit Reports		Guidance notes	Response and reference to evidence	Assessment 1-4
27	Have there been any internal audit, external audit or review reports published during the year that have highlighted high, medium or significant control deficiencies?	This question requires a Yes/No response rather than an assessment score. Please also list the reports published during the year and highlight any that have flagged high, medium or significant control deficiencies.	The follow action points have arisen from the audit activities carried out during 2016/17, <ul style="list-style-type: none"> • Audit Scotland, the need to develop a longer term financial planning framework. Transformation Programme initiated. • Audit Scotland, review of the current Local Code of Corporate Governance. Due for July 2017 	Yes

			<ul style="list-style-type: none"> • Audit Scotland identified low priority action point in respect of the reconciliation of the input and output controls relating to council tax and valuation roll updates, and periodic checks between the list/roll to the register of Sasines. During the period January to March these actions had not been adequately evidenced by the internal LVJB team. This has now been corrected. • CEC, advisory comments re administration of FOI. Under action. • CEC, review and update of Council Tax procedural documentation. Due August 2017. 	
28	Do you have arrangements in place to ensure all recommendations from these reports have been (or are being) implemented and that this is monitored effectively?	Please describe your implementation, monitoring and reporting arrangements and provide detail of any recommendations that are outstanding at the end of the reporting period.	All action points are provided with a response for the purposes of audit reporting by a senior lead officer within the Board. Allocation and completion of these action points is monitored through the senior management group.	4
Outstanding issues from previous years		Guidance notes	Response and reference to evidence	Assessment 1-4
29	Have all outstanding issues or recommendations arising from this exercise, commissioned reviews, Board reports and other initiatives in previous years been addressed satisfactorily?	Please detail how any outstanding issues or recommendations are being addressed.	All issues/recommendations arising from audit reports have been addressed or are under consideration and action. See above.	4
Additional information		Guidance notes	Response and reference to evidence	Assessment 1-4

30	Apart from the topics raised above, have there been any significant control problems or other matters affecting the Board to an extent that prevents the signing of the Annual Governance Statement?	This question requires a Yes/No response rather than an assessment score. Please provide details if there are any significant control problems or other matters.	There are none.	No
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Reviewed by		Role	Internal Audit	Date	
Reviewed by		Role	Governance & Democratic Services Manager	Date	