

## **RENFREWESHIRE VALUATION JOINT BOARD**

**To: Renfrewshire Valuation Joint Board**

**On: 18 January 2019**

---

**Report by: Chief Auditor**

---

**Heading: Internal Audit Engagement – Non-Domestic Rates Valuation System**

---

### **1. Summary**

- 1.1 In line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Board. In June 2018, members were informed of the new arrangements in place to fulfil this requirement.
- 1.2 The arrangements put in place is that Chief Auditor will report summaries of completed audit engagements to the Joint Board on the conclusion of each engagement for formal consideration by member in line with the best practice referred to above.
- 1.3 This report provides detail of the audit engagement completed in November 2018 with the overall assurance rating and the number of recommendations in each risk category. The detailed committee summary for the report is also attached.

---

### **2. Recommendations**

- 2.1 Members are invited to consider and note the summary for the internal audit review of the Non-domestic Rates Valuation System.
- 

**For further information please contact Andrea McMahon on 0141-618-7017**

**Or via e-mail at [andrea.mcmahon@renfrewshire.gov.uk](mailto:andrea.mcmahon@renfrewshire.gov.uk)**



# Renfrewshire Council

## Internal Audit Service

### Update for Renfrewshire Valuation Joint Board on the Audit Engagement concluded in November 2018

Category	Engagement	Assurance Rating	Recommendation Ratings			
			Critical	Important	Good Practice	Service Improvement
Assurance	Valuation System – Non-Domestic Rates	Substantial	0	0	0	1

Assurance Level	
Substantial Assurance	<ul style="list-style-type: none"> <li>There is a sound system of internal control designed to achieve the objectives of the area being reviewed.</li> <li>The control processes tested are being consistently applied.</li> </ul>
Reasonable Assurance	<ul style="list-style-type: none"> <li>The internal control processes are generally satisfactory with some areas of weakness being identified that could put some objectives of the area being reviewed at risk</li> <li>There is evidence that the level of non-compliance with some of the control processes may put some of the objectives of the area being reviewed at risk.</li> </ul>
Limited Assurance	<ul style="list-style-type: none"> <li>Weaknesses in the system of internal controls are such as to put the objectives of the area being reviewed at risk.</li> <li>The level of non-compliance puts the objectives of the area being reviewed at risk.</li> </ul>
No Assurance	<ul style="list-style-type: none"> <li>Control processes are generally weak with significant risk to the achievement of the objectives of the area being reviewed.</li> <li>Significant non-compliance with control processes leaves the processes/systems open to error or abuse.</li> </ul>

Recommendation Rating	
Service Improvement	Implementation will improve the efficiency / housekeeping of the area under review.
Good Practice	Implementation will contribute to the general effectiveness of control.
Important	Implementation will raise the level of assurance provided by the control system to acceptable levels.
Critical	Addresses a significant risk, impacting on the objectives of the area under review.



# Internal Audit Report

## Renfrewshire Valuation Joint Board

### Valuation System – Non Domestic Rates (A0012/2019/001)

A0012/2019/001

Date: November 2018

#### COMMITTEE SUMMARY

##### **Audit Objectives**

The objectives of the audit were to ensure that:

1. There are adequate documented procedures in place which are up to date and comply with current legislation;
2. The valuation system is updated accurately and within a reasonable time period;
3. Non-Domestic Rates teams receive regular updates in relation to amendments made;
4. The valuation system is regularly reconciled to the non-domestic rates system and discrepancies are promptly investigated
5. Data is held securely in compliance with the relevant legislation.

##### **Audit Scope**

1. Interviewed the appropriate staff, evaluated the controls in place for the non-domestic rates valuation system and identified any possible improvements to the system.
2. Prepared and undertook a series of tests to ensure the non-domestic rates valuation system is operating effectively and as described. Reconciliation of the valuation system to the non-domestic rates system was tested for Renfrewshire and East Renfrewshire only. It was not tested for Inverclyde.

##### **Key Audit Assurances**

1. There are adequate documented procedures in place which comply with legislation.
2. Renfrewshire's Non-Domestic Rates team receives regular updates in relation to amendments made.
3. The valuation system for Renfrewshire and East Renfrewshire properties is regularly reconciled to the non-domestic rates and discrepancies are promptly investigated.
4. Data is held securely in compliance with the General Data Protection Regulation directive.

##### **Key Risks**

There were no key risks identified during the audit.

**Internal Audit Report**  
**Renfrewshire Valuation Joint Board**  
**Valuation System – Non Domestic Rates**  
**(A0012/2019/001)**

**A0012/2019/001**

**Date: November 2018**

<b>Overall Audit Opinion</b>
The audit has identified that satisfactory arrangements are in place for managing the RVJB non-domestic rates valuation system. It was identified that during 2017/18 some performance targets were not met and that has been rectified during the first quarter of 2018/19.

<b>Management Commentary</b>
Management are continuing to monitor performance closely.