

The background of the page features a large, light blue watermark of the City of Vancouver's coat of arms. The crest is a shield divided into four quadrants. The top-left quadrant shows a sailing ship on wavy lines representing water. The top-right quadrant shows a stag's head with large antlers. The bottom-left quadrant shows a beaver. The bottom-right quadrant shows a grizzly bear. Above the shield is a crown with four maple leaves. A banner at the bottom of the shield contains the motto "A NE FOR A".

AGENDA ITEM

3

MINUTE

DRAFT

**MINUTE of MEETING of CENTRAL SCOTLAND VALUATION JOINT BOARD
held within HILLSIDE HOUSE, STIRLING on FRIDAY 12 FEBRUARY 2016 at
9.30 a.m.**

COUNCILLORS:

Margaret Brisley
Gordon Hughes
Charles MacDonald (Convener)
Corrie McChord
Adrian Mahoney
Rosie Murray
Alan Nimmo
Jim Thomson
Sandy Turner

OFFICERS:

Nicky Bridle, Treasurer
Elizabeth Hutcheon, Assistant to the Treasurer
Brian Pirie, Assistant to the Clerk
Jane Wanless, Assistant Assessor
Peter Wildman, Assessor and Electoral
Registration Officer

VJB28. APOLOGIES

Apologies were intimated on behalf of Depute Provost Irene Hamilton and Councillor Meiklejohn.

VJB29. DECLARATIONS OF INTEREST

No declarations were made.

VJB30. MINUTE

The minute of the meeting held on 20 November 2015 was approved.

VJB31. DRAFT REVENUE BUDGET 2016/17

The Board considered a report by the Assessor and Electoral Registration Officer and Treasurer presenting the draft Revenue Budget for 2016/17.

The Board's draft Revenue Budget for 2016/17 was set out, together with the net requisitions for each of the constituent authorities.

The proposed budget was £2,619,526. The funding was £2,514,817 assumption.

In terms of the anticipated funding settlement this represented a gap of £104,710 which it was proposed would be met from uncommitted reserves. In 2015 the Assessor undertook a review of the Board's reserves. The usable reserve at 31 March 2016 was projected to be £664,000. It was proposed to fund the budget shortfall from reserves and to provide the constituent authorities with a refund of £440,000. Given the projected indicative funding gap to 2019 it was proposed that the minimum uncommitted reserve level was increased to 4% of net revenue expenditure, equating to £110,000 in 2016/17.

The report set out the proposed budget, changes from the 2015/16 budget, indicative funding for 2017/18 and the requisitions from the three constituent authorities.

Members sought information on the likely impact of the proposed EU Referendum on the 2016/17 budget. The Assessor confirmed that he did not anticipate funding from government to meet the costs.

Decision

The Board agreed:-

- (1) the Revenue Budget for 2016/17;**
- (2) to increase the minimum level of reserves to 4% of net revenue expenditure;**
- (3) the proposed refund of the uncommitted general reserves, as detailed in table 5 of the report, noting that uncommitted Board Reserves remain at 4.0% of net revenue expenditure which is in line with the new minimum reserve level; and**
- (4) to requisition the constituent authorities for their share of the net expenditure as outlined in table 5 of above.**

VJB32. APPOINTMENT OF s27 DEPUTE ASSESSOR

The Board considered a report by the Assessor and Electoral Registration Officer requesting that the Board appoint Russell Hewton, Divisional Valuer, as Depute Assessor in terms of Section 27 of the Local Government Etc. (Scotland) Act 1994.

Decision

The Board formally appointed Russell Hewton as a statutory Depute assessor in terms of Section 27 of the Local Government Etc. (Scotland) Act 1994.



AGENDA ITEM

4

**DRAFT FINANCIAL STATEMENTS
as at 31 MARCH 2016**

AGENDA ITEM 4

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: DRAFT FINANCIAL STATEMENTS as at 31 MARCH 2016
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 17th June 2016
Author: TREASURER

1. INTRODUCTION

- 1.1 The Board is required by law to prepare a statement of accounts in accordance with 'proper practices' which set out its financial position at the end of each financial year. This is defined as meaning compliance with the terms of the Code of Practice in Local Authority Accounting in the United Kingdom prepared by CIPFA/ LASAAC Joint Committee.
- 1.2 The Code specifies the principles of accounting required to give a 'true and fair' view of the financial position and transactions of the Board, following completion of the audit.
- 1.3 The Code is based on International Financial Reporting Standards within a framework of the Government Financial Reporting Manual (FRm).
- 1.4 The Board is legally obliged to complete the draft accounts and submit them by 30th June to the Controller of Audit so that they can be scrutinised by the appointed external auditor for accuracy and completeness.
- 1.5 A final audited set of accounts, and the auditor's report, will be presented to the Joint Board at the next appropriate meeting.

2. BACKGROUND

- 2.1 The accounts have been prepared in accordance with proper practices as set out in the *Code of Practice on Local Authority Accounting in the United Kingdom 2015/16*. The Financial Statements show the actual figures for 2015/16 and the comparable figures for 2014/15.
- 2.2 The draft deficit on the provision of services reported in the Comprehensive Income and Expenditure Account is £(478)k. However this includes £335k of accounting adjustments which require to be reversed out in the Movement in Reserves Statement to create a deficit of £(143)k for the year.
- 2.3 The useable surplus brought forward from previous years is £1,023k. The deficit in the year is £(143)k. The surplus carried forward to future years is therefore

£880k. The balance of £880k has been retained as a surplus attributable to constituent authorities in the general fund usable reserve.

- 2.4 The Board has previously approved the ear-marking of £105k for specific projects, and a refund to constituent authorities of £440k as part of the budget process. This has been reviewed and the amount of ear-marked reserves required at the end of the 15-16 financial year is now considered to be £595k. This comprises £105k to fund the 16/17 Budget, £440k refund to constituent authorities, £20k for telephone system, £30k lift renewal. The balance of un-earmarked reserves is therefore £285k.
- 2.5 The Board's reserves strategy stipulates that it should retain uncommitted reserves at a minimum level of 4% of net expenditure as agreed in February 2016, which as at March 2016 would translate to a figure of £105k. The outturn position is therefore £180k in excess of this minimum reserve figure and represents a level of 10.9%.
- 2.6 As discussed at previous board meetings, reserves will be reviewed in line with saving proposals brought forward over the coming year. Reserves may be required to fund spend to save proposals to allow future reduction in spend.
- 2.7 A summary of the main financial highlights of the year is contained in my report on pages 3 to 12 of the draft accounts.
- 2.8 A statement recording the remuneration paid to senior employees is also included within the accounts.

3. CONCLUSIONS

- 3.1 The Valuation Joint Board has outturned a deficit of £(143)k which when added to previous surpluses results in a net surplus of £880k now being held.

4. RECOMMENDATIONS

- 4.1 The Joint Board is asked to note the 2015/16 Draft Statement of Accounts and agree to their submission to the Controller of Audit

Treasurer
17th June 2016

LIST OF BACKGROUND PAPERS

1. Annual Year End Working Papers.

Any person wishing to inspect the above background papers should contact the Treasurer, Nikki Bridle, on Alloa (01259) 452030.

CENTRAL SCOTLAND VALUATION JOINT BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS 2015/16

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CENTRAL SCOTLAND VALUATION JOINT BOARD

MEMBERS AND OFFICIALS

CONVENOR

Councillor C MacDonald, Falkirk Council

VICE CONVENOR

Councillor C Holden, Clackmannanshire Council

FALKIRK COUNCIL

Appointed Members:-

Councillor G Hughes
Councillor A Mahoney
Councillor C Meiklejohn
Councillor R Murray
Councillor A Nimmo
Councillor A Turner

STIRLING COUNCIL

Appointed Members:-

Councillor N Benny
Councillor M Brisley
Councillor C McChord
Councillor S Paterson

CLACKMANNANSHIRE COUNCIL

Appointed Members:-

Depute Provost D Balsillie
Depute Provost I Hamilton

OFFICIALS

| | | |
|-----------|---|-------------------|
| Assessor | - | Peter Wildman |
| Clerk | - | Rose Mary Glackin |
| Treasurer | - | Nikki Bridle |

Introduction

This commentary sets the scene and context for the Financial Statements for Central Scotland Valuation Joint Board (the Board) for the year ended 31 March 2016. This commentary provides specific details in relation to the Board's financial position, its priorities and performance and our strategies and plans for achieving these objectives. The Management Commentary is required to present the collective view of those charged with governance and apply relevant sections of the Companies Act 2006 in respect of the preparation of a Strategic Report. This requirement sets aside the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the UK (the Code) requirement for an Explanatory Foreword. The Annual Accounts have been compiled in accordance with the Code requirements which governs the format and content contained within them.

Strategic context

Central Scotland Valuation Area covers three council areas of Clackmannanshire, Falkirk and Stirling. The Board employs 44 staff who are based in Stirling at the administrative headquarters, Hillside House. The Board comprises 15 elected members drawn from the three constituent authorities of Falkirk, Stirling and Clackmannanshire Councils. The Board Convener is Councillor MacDonald from Falkirk Council and the Vice Convener, Councillor Holden from Clackmannanshire Council.

The Valuation Joint Board appoints an Assessor for the Valuation Area and bears the costs of the Assessor carrying out his statutory duties. The three Councils have also appointed the Assessor as Electoral Registration Officer. The Assessor is Pete Wildman.

The Board is supported by its Clerk, Rose Mary Glackin from Falkirk Council and its Treasurer, Nikki Bridle from Clackmannanshire Council. Finance, Legal and HR services are currently provided by Clackmannanshire Council.

The Assessor has three core statutory duties. These are:

1. Valuation of Lands and Heritages

The Valuation Roll contains every non-domestic property (unless exempted by statute) in the Valuation Area showing the rateable value of the property. Rateable value is effectively the estimated rental value of the property. There are 11416 non-domestic properties in Central Scotland with a total rateable value of just under £325 million. The Roll includes commercial properties like shops and offices, industrial properties from small workshops to giants like the petrochemical works and the refinery at Grangemouth, and publicly owned properties such as schools and sport centres. The Assessor maintains survey records of each property and is obliged by law to carry out regular revaluations of non-domestic properties. The next revaluation is due in April 2017. Between revaluations the Assessor must maintain the Roll to reflect new and altered properties. Significant work is now ongoing to prepare for the 2017 Revaluation. This is a major project for the Board. Work is shared with the other Assessors in Scotland to ensure maximum efficiency and avoid duplication. The 2017 Revaluation will see the inclusion of Shooting Rights and Deer Forests in the Valuation Roll again. They were excluded from the Valuation Roll in April 1995. There will need to be a significant and thorough collection of information ahead of their re-introduction.

Strategic Context (continued)

The vast majority of valuation appeals from the 2005 Revaluation have been dealt with. There are a few appeals from the 2005 Revaluation still to be heard by the Lands Tribunal. Significant progress has been made during 2015/16 to deal with the appeals from the 2010 Revaluation. Of the original 3,532 properties under appeal 31 properties remain under appeal at the end of March 2016. The appeals on these properties have all been referred to the Lands Tribunal for determination.

2. **Compiling the Valuation List**

All domestic properties are shown in the Valuation List. The Assessor places every domestic property in a valuation band based on the capital value that the property would have had at April 1991 and in line with statutory assumptions. The pace of new building continues to increase. There are now over 138,000 domestic properties on the Council Tax Valuation List in Central Scotland. The Local Taxation Commission proposed reforms to local taxation in Scotland. It is not yet known what reforms will be implemented and what the impact for the Assessor will be.

3. **Compiling the Register of Electors**

The Register of Electors is published annually and is a listing of every declared eligible elector in each local authority area set against the local address that satisfies the residence qualification. The Register is used for all Local Government, United Kingdom, Scottish and European Parliamentary Elections. It is also used for Community Councils' elections and for referendums. In combination with data from other Electoral Registration Officers it is used to compile a register as required for National Park Elections. The Electoral Registration Officer is also required to publish an Open Register and to maintain Absent Voter Lists.

The transition from household registration to individual registration was completed with the publication of the new Register of Electors on 1 December 2015 containing some 219,898 Local Government electors. The new Register also saw the inclusion of young electors as a consequence of the Reduction In Voting Age for Scottish Parliamentary and Local Government Elections. Details of registered 15 and 14 year olds are not shown in published copies of the Register.

The first full canvass under the new registration system was carried out during 2015/16. We sent Household Enquiry Forms to every residential property in our area. The canvass process is now a two stage process with a Household Enquiry Form forming the first phase. This is used to identify any electors who have moved in or out of the property. The form is only an enquiry form and changes cannot be made to the Register as a result of this form being returned. For any new names on the form we must issue a personal Invitation to Register which is accompanied by a personalised registration form. For any name scored off on the Household form we must either identify a second source of information to confirm this or carry out a statutory review of registration. Every Invitation to Register and every Household Enquiry Form must be followed up with two reminders and a personal visit. We are not required to personally visit under 16 year olds. The household enquiry phase was completed as required by 1st December 2015 . registration.

Strategic Context (continued)

The invitation to register phase follows on from this. The process is heavily prescribed and the follow up requirements are resource intensive. This has significantly increased the administrative and postage costs of electoral

The number of online registrations increased ahead of the 2015 UK Parliamentary Election and work is currently ongoing to plan for the 2016 EU Referendum.

In common with other public sector organisations, the Board has seen additional expenditure pressures arising from legislative changes such as the implementation of Individual Electoral Registration at the same time as the anticipated funding level being set to reduce. Work is also now ongoing to prepare the 2017 Non Domestic Revaluation. The Board also has to ensure that it complies fully with Health & Safety, Data Protection, Freedom of Information, Equalities and Records Management Duties. These duties represent a sizeable workload for the organisation which continues to increase.

Strategic Financial Planning

In the approved Budget, set in February 2016, the medium term forecast suggests an anticipated funding gap of £426k by 2018/19 and for the first time in recent years, for 2015/16, the Board utilised £105 k of reserves in setting its budget.

The Assessor/Electoral Registration Officer (ERO) is taking steps to ensure that the Board's cost base is sustainable for the medium to long term. A full review of the staffing structure was carried out in 2015/16 with the aim to produce a more flexible and streamlined structure. It is anticipated that this restructuring will be complete by summer 2016. The focus for the coming years will be on optimising records management and reviewing internal processes to ensure efficient service delivery. These priorities and actions are all reflected in the Management Team's three year service plan.

The financial position presented in the financial statements provides us with a platform from which to address the challenging times ahead and support the necessary transition to new, more efficient models of service delivery for the future.

MANAGEMENT COMMENTARY 2015/16 (continued)

Strategic Financial Planning (continued)

The balance sheet shows a negative position for 2015/16 due to deficit in the pension scheme. The Assessor has met with the actuaries to discuss the position of the pension scheme and agreed the level of contribution for the next 3 years in line with the funding requirements. The pension position is not expected to have a short term impact on the financial viability of the board.

Business Performance

The Board receives and monitors performance on a regular basis. The current arrangements have been in place since the core indicators were agreed with the Scottish Government and Accounts Commission in October 2000. Reports also include trend information covering the previous three years' performance. Key performance indicator performance against targets for the last three years are set out in Exhibit 1 below. The Annual Public Performance Report is also published on the Assessors' Portal at www.saa.gov.uk.

The ERO also met the performance standards set by the Electoral Commission.

Exhibit 1: Performance against key targets 2013/14 to 2015/16

| Indicator | 2013/14 Target % | 2013/14 Actual % | 2014/15 Target % | 2014/15 Actual % | 2015/16 Target % | 2015/16 Actual % |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Changes made in less than 3 months | 82 | 76 | 82 | 81 | 82 | 74 |
| Changes made in less than 6 months | 93 | 90 | 93 | 89 | 93 | 90 |
| Changes made in more than 6 months | 7 | 10 | 7 | 11 | 7 | 10 |
| | | | | | | |
| Indicator | 2013/14 Target | 2013/14 Actual | 2014/15 Target | 2014/15 Actual | 2015/16 Target | 2015/16 Actual |
| In less than 3 months | 97 | 96 | 97 | 97 | 97 | 97 |
| In less than 6 months | 99 | 99 | 99 | 99 | 99 | 99 |
| In more than 6 months | 1 | 1 | 1 | 1 | 1 | 1 |
| | | | | | | |

Targets for 2016/17 have also been proposed based on consolidating the historic trend of high performance. However, one area the Board may look at in the future is the cost of maintaining these levels of performance and whether there is the potential to reduce costs by taking explicit decisions to reduce service standards. Should such proposals be considered, these would involve consultation with our key partners and stakeholders. It should be noted that all the functions of the Assessor and ERO are statutory and prescribed.

Financial Performance 2015/16

The Financial Statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and they present a true and fair view of the financial position of the Board and its income and expenditure for the year ended 31 March 2016. A brief explanation of each statement and its purpose is provided on page 25. An Annual Governance Statement is also provided at page 14 and a Remuneration Report is included at page 17.

The final Outturn position in the management accounts reports an underspend of £437k of which £208k is as a result of the restructure and vacancies with the remaining underspend mainly attributable to income not budgeted. It was agreed that due to funding uncertainty that we would not budget for income but fund from reserves in 2015/16 with any resultant underspend falling to reserves at the end of the financial year.

On an accounting basis the deficit on the provision of service for the financial year reported in the Comprehensive Income and Expenditure Account is £478k (page 24). However this takes account of £335k of adjustments between the accounting and funding basis. When these are added to the surplus shown in the Comprehensive Income and Expenditure Statement the net deficit is £(143)k.

The usable surplus brought forward from previous years is £1,023k. The usable deficit in the year, per above, is £(143)k. The surplus carried forward to future years is therefore £880k. The balance of £880k has been retained as a surplus attributable to the constituent authorities in the general fund usable reserve.

A comprehensive analysis of the Council's reserves is provided in the Movements in Reserves Statement on page 23 and supporting notes.

Of the £880k balance at 31st March 2016, £595k is earmarked for specific purposes. The committed balance can be summarised as follows:

Exhibit 2: Committed reserves 2015/16

| | Total |
|-----------------------------------|--------------|
| | £000 |
| 16/17 Budget Funding | 105 |
| Telephone System Investment | 20 |
| Lift Renewal | 30 |
| Refund to constituent authorities | 440 |
| | |
| Net Committed Reserves | 595 |

Financial Performance 2015/16 (continued)

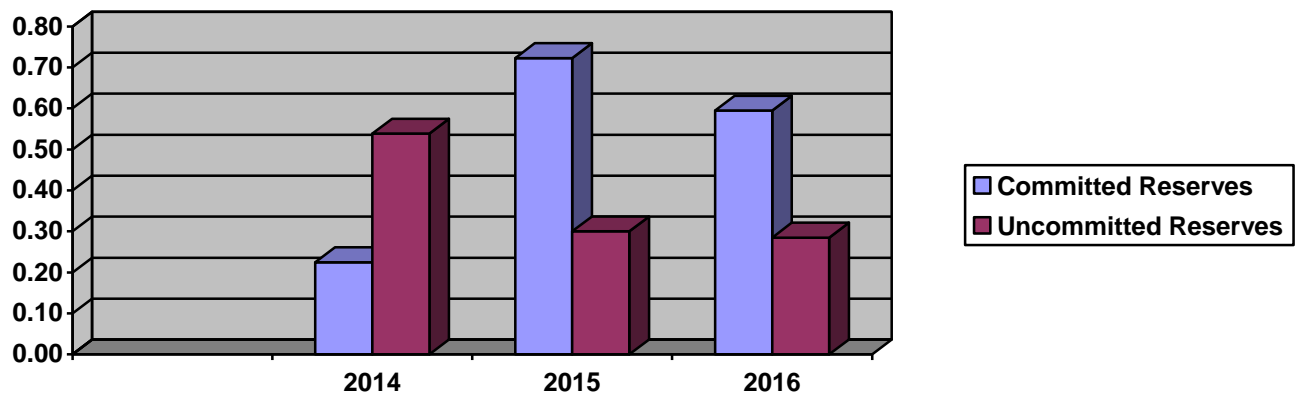
The Board's Reserves Strategy stipulates that it should retain uncommitted reserves at a minimum level of 4% of net expenditure. The current reserves represent a level of 10.9%. During 2015/16 £277k was refunded to the constituent authorities and a further £440k is earmarked to be refunded in 2016/17.

When the Board approved the 2016/17 Budget on 12th February 2016 approval was given to increase the minimum reserve balance to 4% from 3% of the Budget in recognition of the finalisation of the restructure in summer of 2016 and to allow for anticipated future years pressures.

The movement in the Council's reserve position over the last three years (trend) is shown below:

Exhibit 3: Trend in reserves position 2013/14-2015/16

million



MANAGEMENT COMMENTARY 2015/16 (continued)

Financial Ratios

The Chartered Institute of Public Finance and Accountancy (CIPFA) Directors of Finance Section recommends that certain “financial ratios” are included in the Management Commentary to assist the reader to assess the performance of the Council over the financial year and of the affordability of its ongoing commitments. The following table provides the indicators with an explanation of each, grouped into CIPFA categories for the various areas of financial activity.

| Financial Indicator | Commentary | 2015/16 | 2014/15 |
|---|--|----------------|----------------|
| Reserves | | | |
| Uncommitted General Fund Reserve as a proportion of Annual Budgeted Net Expenditure | Reflects the level of funding available to manage financial risk/unplanned expenditure. The Board's Policy is 4% of annual budgeted net expenditure which is considered appropriate in the context of the Board's financial and ongoing risk profile. A temporary increase in this level is commented on in the Financial performance section above. | 10.9% | 10.9% |
| Movement in the Uncommitted General Fund Balance | Reflects the extent to which the Board is using its Uncommitted General Fund Reserve. In 2014/15 there was a significant proportion of reserves earmarked to fund voluntary severance as a result of restructure and the uncertainty around future funding. There was also a refund of reserves to constituent authorities and a further refund will be made in 2016/17. | (4.7)% | (44.3)% |
| Financial Management | | | |
| Actual Outturn compared to Budgeted Expenditure | How closely expenditure compares to the budget is a reflection of the effectiveness of financial management. This indicator is based on the format of budget monitoring as reported throughout the year. The final outturn position was £437k underspend. | 85.7% | 89.8% |

Capital Expenditure

The Prudential Code for Capital Finance in Local Authorities governs the level of capital expenditure taking into account affordability, sustainability, the management of assets and the achievement of strategic objectives. It is the duty of the Board to determine and keep under review the maximum amount that it can afford to allocate to capital expenditure together with the associated revenue implications. In 2015/16, the Board invested £35k on intangible assets which meets the definition of capital expenditure. The costs of this investment were met by Capital from Current Revenue contributions (CFCR), i.e. from usable reserves. The new asset is reflected in the Board's Balance sheet as an addition under Property, Plant and Equipment.

Net Pension Liability

Pension Fund reporting regulations require an annual valuation by fund actuaries. The calculation at March 2016 disclosed a deficit of £6.208m. The calculation is prepared for the purposes of International Accounting Standard 19 (IAS 19) reporting requirements and is not relevant for funding purposes. This is simply a snapshot of the position at that time. The latest long-term triennial funding valuation of the Fund for the purpose of setting employers' actual contributions was at 31 March 2014 and contributions to the fund continue in line with current actuarial advice which is consistent with planned annual stepped increases until March 2019.

The pension deficit records a deterioration of £1.450m on the position recorded in March 2015 because the financial assumptions are less favourable than last year.

Business Environment and Risks

During 2015/16, in response to initial signs of economic recovery in the UK, the Chancellor in the July 2015 Budget announced that an additional £83billion would be available for public service revenue budgets over the next 4 years. This created some optimism that anticipated reductions in pressured revenue budgets would in part, be mitigated.

However, this position was subsequently revised by the March 2016 UK Budget announcement when the Office for Budgetary Responsibility (OBR) indicated that economic growth projections had been revised downwards, resulting in a loss of the previously anticipated increases in public finances. As a consequence, the UK Government has increased the planned reductions in public service resourcing post 2018/19.

Overall the UK's fiscal outlook has worsened during the course of 2015/16, though the distribution of the impacts has changed, with greater reductions being planned for 2019/20 and a lessening of the impacts in 2016/17 and 2017/18. Greatest pressure over the Spending Review Period will continue to fall on day to day revenue expenditure.

As in recent years, this operating environment presents the key challenge of developing and sustaining medium to longer term financial planning. As for the wider public sector, a key area of uncertainty for the Board remains the future levels of grant funding it will receive. Its constituent authorities, on which the Board relies for a significant proportion of its funding, continue to anticipate cash reduction in funding levels, placing additional pressure on the Board to reduce its operating costs further, thereby providing a reduction in the level of council contributions required in future years.

Business Environment and Risks (continued)

The Scottish Spending Review announcement is due in early October 2016 and it is anticipated that figures could be provided for 3 years. This would considerably assist medium term financial planning given the trend of annual settlement notifications experienced over the last few years.

Given this operating context, the preparation of medium to long term financial plans are subject to a number of key risks and uncertainties which will have an impact on budget assumptions. With funding at best, static and the prospect of cash reductions in the next few years, managing the effects of inflation, given the indications are that both RPI and CPI will now start to increase, will be a challenge for the public sector. RPI inflation levels are one of the main factors which impacts many public sector contracts for the delivery of goods and services. This must be considered alongside the prospect of raised expectations in respect of continuing wage inflation in 2015/16 and beyond, following pay restraint in recent years, alongside increasingly frequent reports of above inflation pay inflation in the private sector.

The Board has to manage the financial and service delivery risks associated with the impact of real and potential cash term reductions in public sector funding, balanced against increasing demands for services and new responsibilities. The Board also has other external factors which are likely to influence the availability of funding for the public sector including elections in each of the next two years and the introduction of a Single Tier Pension Scheme in 2016 affecting employers' national insurance contributions.

The Annual Governance Statement (AGS) details the Board's corporate governance arrangements and its arrangements for the management of risk have also been reviewed and reported to the Board at its meeting on the 17th June 2016. The AGS explains the system of internal control and highlights the key areas for improvement actions arising from the ongoing review of these arrangements, alongside the Management Team's regular review of the Board's Risk Register.

The Board recognise the need to ensure there are reasonable levels of data security for all functions. The Assessors is currently reviewing the business continuity arrangements for the Valuation Joint Board.

Plans for the Future

The combination of anticipated cost pressures, coupled with reduced income, presents significant challenges and financial risks to the Board over the medium term. It is recognised that the scale of the financial challenge will require a fundamental review of aspects of service delivery if the Board is to maintain its financial stability moving forward. This is more challenging given the high proportion of total expenditure which relates to premises costs and the costs of employment and the statutory nature of the Assessor and ERO duties. The ongoing funding pressures highlight the need for the Board to maintain stringent financial control and to continue to drive out efficiencies through the budget process.

Looking ahead, key priorities for the Assessor and ERO include the successful delivery of the 2017 Non Domestic Revaluation. The focus will also be on increasing the efficiency of Individual Electoral Registration within the confines of a prescriptive statutory framework.

Plans for the Future (continued)

A review of the Records Management provisions within the Board is ongoing to ensure that it is operating efficiently, effectively and meets the requirements of the Public Records (Scotland) Act 2011.

Work is also planned to review the Board's Procurement and Employee Policies during 2016/17.

Where to Find More Information

An explanation of the financial statements which follow and their purpose are shown at the top of each page. Further information about the Central Scotland Valuation Joint Board can be found at www.centralscotland-vjb.gov.uk.

Acknowledgements

We would like to take this opportunity to acknowledge the significant effort in producing the Annual Report and Financial Statements and to record our thanks to our colleagues for their continued hard work and support. We greatly appreciate the significant efforts of all who were involved.

Charles MacDonald
Convenor of the Board
17th June 2016

Peter Wildman
Assessor
17th June 2016

Nikki Bridle
Treasurer
17th June 2016

STATEMENT OF RESPONSIBILITIES

The Valuation Joint Board's responsibilities

The Joint Board is required:-

- (1) to make arrangements for the proper administration of its financial affairs, and to ensure that one of its officers has responsibility for the administration of those affairs. In respect of the Valuation Joint Board that officer is the Treasurer.
- (2) to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Treasurer's responsibilities

The Treasurer is responsible for the preparation of the Valuation Joint Board's Annual Report and Financial Statements which, in terms of the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, is required to present a true and fair view of the financial position of the Valuation Joint Board at the accounting date and its income and expenditure for the year then ended.

In preparing the Annual Report and Financial Statements, the Treasurer has:

- (1) selected suitable accounting policies and then applied them consistently;
- (2) made judgements and estimates that were reasonable and prudent; and
- (3) complied with legislation
- (4) complied with the Code of Practice.

The Treasurer has also:

- (1) kept proper accounting records which were up to date; and
- (2) taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Financial Statements present a true and fair view of the financial position of the Board at the accounting date and its income and expenditure for the year ended 31 March 2015.

Nikki Bridle
Treasurer
17th June 2016

Charles MacDonald
Convenor of the Board
17th June 2016

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

The Valuation Joint Board and the Assessor are responsible for ensuring that business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Board and the Assessor have a responsibility to make arrangements to secure continuous improvement in the way in which the organisation's functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Board and Assessor are responsible for putting in place proper arrangements for the governance of the organisation's affairs, and facilitating the effective exercise of their functions, which includes arrangements for the management of risk.

The Board and the Assessor have in place governance arrangements which are consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) Framework 'Delivering Good Governance in Local Government'. These arrangements are defined within the Valuation Joint Board's Code of Corporate Governance. This statement explains how the Board and the Assessor has complied with the Framework.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes and culture and values, by which the organisation is directed and controlled and its activities through which it accounts to and engages with the community. It enables the Board to monitor the achievement of the strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Board's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Governance Framework

The responsibilities of the Valuation Joint Board and the Assessor are laid out in statute. These responsibilities, together with the corporate governance framework, are contained within the Code of Corporate Governance. The Code is further supported by the Standing Orders, Scheme of Delegation, Financial Regulations and Contract Standing Orders. During the period 2015-16 Professional support is provided by Clackmannanshire Council and Falkirk Council on financial and clerk matters, respectively.

The Governance Framework (continued)

The Assessor is supported in meeting his statutory responsibilities by his Management Team, which has responsibility for all aspects of planning; managing, monitoring and reporting of statutory function, service delivery and performance improvement.

The Three Year Service Plan is the key corporate tool for making best use of financial, technological, human and other resources available. From the Three Year Service Plan, the annual operational and services plans are prepared with progress monitored by the Management Team. A performance framework is in place with standards and targets in place. Ongoing monitoring against targets is undertaken by the Management Team and Valuation Joint Board.

The Board's financial management arrangements conform to the standards of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Role of Treasurer is fulfilled by the Section 95 Officer from Clackmannanshire Council. The Board approve a financial budget annually, prior to the start of the financial year, and performance against budget is monitored regularly by both the Management Team and the Board, on a regular basis.

The Board has an approved Risk Management Strategy, which ensures that key strategic, business and operational risks are defined, monitored and mitigated against. Key business risks are regularly considered and reviewed by both the Management Team and the Board. In relation to the day to day operations, a framework of internal controls is in operation, which further mitigates against risks.

The governance framework has been in place at the Valuation Joint Board for the year ended 31 March 2016 and up to the date of approval of the Annual Report and Financial Statements.

Review of Effectiveness

The Board and the Assessor have responsibility for conducting, at least annually, a review of the effectiveness of the governance framework including the system of internal control.

The process that has been applied in maintaining and reviewing the effectiveness of the governance framework includes the following:

- the internal management processes, including performance, risk and financial management and monitoring;
- an annual self assessment of the adequacy of the governance arrangements;
- work undertaken by Internal Audit during the year, including a review of the processes for the administration of the Register of Electors with Postal and Proxy Vote Applications and the follow up of recommendations from the previous governance audit; and external audit review of the work of internal audit and comment on the corporate governance, risk management and performance management arrangements

A plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant Governance Issues

I have been advised of the outcome of the review of the effectiveness of the governance arrangements and am satisfied that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. There have been no governance issues identified to date during the year that are considered significant in relation to the overall governance framework. Specific opportunities for improvements in governance and internal control identified as part of the assurance processes detailed above have been addressed or are included in improvement plans allocated to the relevant member of the Management Team.

The key areas for improvement identified during the annual review include:

- Updating of Health and Safety Policy in light of changing business practices;
- Review Health and Safety Risk Assessments
- Review of Procurement procedures
- Records Management Policy to be updated
- Efficiencies to offset funding gaps due to reduced budgets to be looked at; and
- Consider an SLA covering the services provided by Clackmannanshire.

Signed on behalf of the Valuation Joint Board

Peter Wildman
Assessor
17th June 2016

Charles MacDonald
Convenor of the Board
17th June 2016

REMUNERATION REPORT

All information disclosed in the tables of the remuneration report has been audited by Deloitte LLP to ensure that the information is consistent with the financial statements.

The remuneration of senior officers of the Board is regulated by The Local Government (Scotland) Act. Section 27/5 states that the Assessor be appointed on reasonable terms by the Valuation Authority. The Local Valuation Joint Board (Scotland) Order 1995 Regulations 2 (2), Section 27 transferred the authority to the Board. Appointments of Senior Officers are approved by the Board.

The following tables provide details of the remuneration paid to the Board's Senior Employees.

Remuneration of Senior Employees of the Board

| Name and Post Title | Salary, fees and allowances £ | Taxable Expenses £ | Compensation For loss of Employment £ | Benefits other than in cash £ | Total Remuneration 2015/16 £ | Total Remuneration 2014/15 £ |
|---|--|-------------------------------|--|--|---|---|
| P Wildman Assessor | 94,136 | - | - | - | 94,136 | 93,181 |
| Jane Wandless Assistant Assessor (appointed 01/04/2015) | 69,228 | - | - | - | 69,228 | - |

The senior employees included in the table include any Joint Board employee:

- who has responsibility for management of the Board to the extent that the person has power to direct or control the major activities (including activities involving the expenditure of money) during the year to which the Report relates whether solely or collectively with other persons;
- who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989; or
- whose annual remuneration is £150,000 or more.

The Section 95 Officer is Nikki Bridle, Depute Chief Executive, Clackmannanshire Council. Her remuneration is paid by Clackmannanshire Council.

REMUNERATION REPORT (continued)

Pension Benefits Senior Employees

The pension entitlements of Senior Employees for the year to 31 March 2016 are shown in the table below, together with the contribution made by the Board to each Senior Employees' pension during the year.

| Name and Post Title | In-Year Pension Contributions | | | Accrued Pension Benefits | | |
|---|--------------------------------|--------------------------------|------------------|--------------------------|--------------------------|------------------------------------|
| | For Year to 31 March 2016 £ | For Year to 31 March 2015 £ | | As at 31 March 2016 £ | As at 31 March 2015 £ | Difference From 31 March 2015 £ |
| P Wildman Assessor | 19,769 | 19,192 | Pension Lump Sum | 34,000 68,000 | 32,000 67,000 | 2,000 1,000 |
| Jane Wandless Assistant Assessor (appointed 01/04/2015) | 14,538 | - | Pension Lump Sum | 17,000 26,000 | - - | 17,000 26,000 |

*J Wandless has no prior year comparator as this is her first financial year as a Chief Officer.

All senior employees shown in the tables above are members of the Local Government Pension Scheme (LGPS). The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service and not just their current appointment.

Where staff are no longer in employment at 31 March 2016 there is no increase in accrued pension benefit attributable.

REMUNERATION REPORT (continued)

Officers' Remuneration

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were:

| Remuneration band | Number of Employees | |
|-------------------|---------------------|----------|
| | 2015/16 | 2014/15 |
| £50,000 - £54,999 | - | 1 |
| £55,000 - £59,999 | - | - |
| £60,000 - £64,999 | - | - |
| £65,000 - £69,999 | 1 | - |
| £70,000 - £74,999 | - | - |
| £75,000 - £79,999 | - | - |
| £80,000 - £84,999 | - | - |
| £85,000 - £89,999 | - | - |
| £90,000 - £94,999 | <u>1</u> | <u>1</u> |
| | <u>2</u> | <u>2</u> |

Termination Benefits and Exit Packages

Termination benefits are amounts payable as a result of a decision by the Board to terminate an officer's employment before the normal retirement date or an officer's decision committed to the termination of employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

In implementing a planned rationalisation of the Valuation Joint Board, the Board agreed the voluntary termination of the contracts of a number of employees in 2015/16 and summary information regarding the number and costs of exit packages is shown below.

Disclosed costs include, where applicable; payments in lieu of notice, redundancy and pension costs in relation to lump sum, strain payments and capitalised added years. Any early terminations which might arise on the grounds of health or dismissal fall outside the regulatory disclosure requirement and would not be disclosed. There were no compulsory redundancies in the current or previous year.

| Exit package cost band (including special payments) packages by cost band | Total number of exit packages by cost band | | Total cost of exit | |
|---|---|----------|--------------------|---------------|
| | 2014/15 | 2015/16 | 2014/15 | 2015/16 |
| £0 - £40,000 | - | 5 | - | 69,157 |
| | <u>-</u> | <u>5</u> | <u>-</u> | <u>69,157</u> |

REMUNERATION REPORT (continued)

Senior Councillors

The remuneration of councillors is regulated by the 2007 regulations and these set out the remuneration payable to councillors with a responsibility of Convenor or Vice-Convenor of the Joint Board. The council of which the Convenor or Vice-Convenor is a member is required to pay their total remuneration and is then reimbursed for the element of the payment made on behalf of the joint board.

| Name | Council | Position | 2015/16 Reimbursement £ | 2014/15 Reimbursement £ |
|-----------------------|--------------------------|--|--|--|
| Councillor C McDonald | Falkirk Council | Convenor (from 22 June 2012) | 2,252 | 2,230 |
| Councillor C Holden | Clackmannanshire Council | Vice Convenor (from 7 September 2012) | 3,138 | 2,859 |

INDEPENDENT AUDITOR'S REPORT

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CENTRAL SCOTLAND
VALUATION JOINT BOARD AND THE ACCOUNTS COMMISSION FOR SCOTLAND**

TO FOLLOW

James Boyle, CA (Senior Statutory Auditor) for and on behalf of Deloitte LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2DB
United Kingdom

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Board, analysed into 'usable reserves' (those that can be applied to fund expenditure) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance. The Net Increase/(Decrease) shows the statutory General Fund Balance.

| | Usable Reserves £000 | Unusable Reserves £000 | Total Reserves £000 |
|--|----------------------------|------------------------------|---------------------------|
| Balance at 1 April 2014 | 763 | (5,041) | (4,278) |
| <u>Movement in Reserves during 2014/15</u> | | | |
| Surplus on provision of Services | 17 | - | 17 |
| Other Comprehensive Income and Expenditure | - | (2,321) | (2,321) |
| Total Comprehensive Income and Expenditure | 17 | (2,321) | (2,304) |
| Adjustments between Accounting basis & funding basis under regulations (note 6) | 243 | (243) | - |
| Increase/(Decrease) in Year | 260 | (2,564) | (2,304) |
| Balance at 31 March 2015 carried forward | 1,023 | (7,605) | (6,582) |
| <u>Movement in Reserves during 2015/16</u> | | | |
| Surplus on provision of Services | (478) | - | (478) |
| Other Comprehensive Income and Expenditure | - | 1,790 | 1,790 |
| Total Comprehensive Income and Expenditure | (478) | 1,790 | 1,312 |
| Adjustments between Accounting basis & funding basis under regulations (note 6) | 335 | (335) | - |
| Increase/(Decrease) in Year | (143) | 1,455 | 1,312 |
| Balance at 31 March 2016 carried forward | 880 | (6,150) | (5,270) |

CENTRAL SCOTLAND VALUATION JOINT BOARD

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

| 2014/15 | | | 2015/16 | | | |
|-------------------------|---------------------------|-------------------------|---|-------------------------|---------------------------|-----------------------|
| Gross Expend £000 | Gross (Income) £000 | Net (Income) £000 | | Gross Expend £000 | Gross (Income) £000 | Net Expend £000 |
| 2,782 | (3,003) | (221) | Cost of Services (A) (note 8) | 2,794 | (2,559) | 235 |
| | | <u>204</u> | Financing Expenditure (note 7) | | | <u>243</u> |
| | | (17) | (Surplus)/Deficit on Provision of Services (note 8) | | | 478 |
| | | 2,321 | Actuarial (gains)/losses on pension assets/liabilities (note 17) | | | (1,790) |
| | | 2,304 | Total Comprehensive (Income) and Expenditure | | | (1,312) |

Cost of Services (A)

All costs flow through the Central Services line at financial statement level, and therefore there is no further breakdown of Service costs.

CENTRAL SCOTLAND VALUATION JOINT BOARD

BALANCE SHEET AS AT 31 MARCH 2016

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Board. The net liabilities (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves are usable reserves, those reserves that the Board may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Board is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

| 31 March 2015 £000 | | Note | 31 March 2016 £000 |
|--------------------------|---|------|--------------------------|
| 63 | Property, Plant & Equipment | 9 | 71 |
| <u>10</u> | Intangible Assets | 10 | <u>5</u> |
| 73 | Long Term Assets | | 76 |
| 55 | Debtors | 11 | 23 |
| <u>1,225</u> | Cash and Cash Equivalents – bank current accounts | | <u>1,064</u> |
| 1,280 | Current Assets | | 1,087 |
| (277) | Creditors | 12 | (225) |
| <u> </u> | | | <u> </u> |
| (277) | Current Liabilities | | (225) |
| <u>(7,658)</u> | Deficit in pension scheme | 17 | <u>(6,208)</u> |
| (7,658) | Long Term Liabilities | | (6,208) |
| <u>(6,582)</u> | Net Liabilities | | <u>(5,270)</u> |
| <u> </u> | | | <u> </u> |
| 1,023 | Usable reserves – General Fund | | 880 |
| <u>(7,605)</u> | Unusable Reserves | 13 | <u>(6,150)</u> |
| (6,582) | Total Reserves | | (5,270) |
| <u> </u> | | | <u> </u> |

The unaudited Financial Statements were issued on 17 June 2016.

Nikki Bridle
Treasurer
17th June 2016

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

The Cash Flow Statement shows the changes in cash and cash equivalents during the reporting period. The Statement shows how the Board generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Board are funded by way of grant income or from the recipients of services provided by the Board. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Board's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (borrowing) to the Board.

| 2014/15 | | 2015/16 |
|----------------|---|----------------|
| £000 | | £000 |
| 17 | Net Surplus/(Deficit) on the Provision of Services | (478) |
| 386 | Adjust net Surplus/(Deficit) on the Provision of Services for Non Cash Movements (note 14) | 351 |
| | Adjustments for Items in the Net Surplus/(Deficit) on the Provision of Services that are Investing and Financing Activities - | |
| (5) | Interest Received | (4) |
| 398 | Net Cash Flows from Operating Activities | (131) |
| (37) | Investing Activities – Purchase of Equipment | (35) |
| 5 | Financing Activities – Interest Received – Short/Long-term Borrowing | 4 |
| 366 | Net increase/(decrease) in Cash and Cash equivalents | (162) |
| 859 | Cash and Cash equivalents at the beginning of the reporting period | 1,225 |
| 1,225 | Cash and Cash equivalents at the end of the reporting period | 1,064 |

NOTES TO THE FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS (continued)

1) Accounting Policies**a) General Principles**

The Statement of Accounts summarises the Board's transactions for the 2015/16 financial year and its position at the year end of 31 March 2016. The Board is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 1985, section 12 of the Local Government in Scotland Act 2003 requires they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and the Service Reporting Code of Practice 2015/16 (SeRCOP), supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories at non-contract assets. The accounting policies have been applied consistently in the current and prior years.

b) Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- revenue from the sale of goods is recognised when the Board transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Board;
- revenue from the provision of services is recognised when the Board can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Board;
- expenses in relation to services received (including those rendered by employees) are recorded as expenditure when the services are received, rather than when payments are made; and
- where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

c) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Board's cash management.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1) Accounting Policies (continued)**d) Changes in Accounting Policies and Estimates and Errors**

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Board's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior year as if the new policy had always been applied.

Changes in accounting estimates are accounted for prospectively, ie, in the current and future years affected by the change.

Material errors discovered in prior year figures are corrected retrospectively by amending opening balances and comparative amounts for the prior year.

e) Charges to Revenue for Non-Current Assets

The following amounts are debited to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets;
- revaluation and impairment losses on assets used by the Board where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and
- amortisation of intangible assets.

The Board is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement depreciation, revaluation and impairment losses and amortisations are therefore replaced by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

f) Employee Benefits**Benefits Payable During Employment**

Short-term employee benefits (those that fall due wholly within 12 months of the year end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Board. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Fund Balance by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1) Accounting Policies (continued)

f) Employee Benefits (continued)

Post Employment Benefits

Employees of the Authority are members of The Local Government Pension Scheme administered by Falkirk Council

This scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Board.

The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Falkirk Pension Fund attributable to the Board are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees;
- Liabilities are discounted to their value at current prices, using a discount rate based on the gross redemption yield on the iBoxx Sterling Corporate Index, AA cover 15 years;
- The assets of the Falkirk pension fund attributable to the Board are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price;
 - unquoted securities – professional estimate;
 - unitised securities – current bid price; and
 - property – market value.
- The change in the net pensions liability is analysed into seven components:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
 - past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
 - interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
 - expected return on assets – the annual investment return on the fund assets attributable to the Board, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;

NOTES TO THE FINANCIAL STATEMENTS (continued)

1) Accounting Policies (continued)**f) Employee Benefits (continued)**Post Employment Benefits (continued)

- gains/losses on settlements and curtailments – the result of actions to relieve the Board of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited/credited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Comprehensive Income and Expenditure Statement; and
- contributions paid to the Falkirk Pension Fund – cash paid as employer's contributions to the Pension Fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Board to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Discretionary Benefits

The Board also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

The Valuation Joint Board is a recognised 'employing authority' within the meaning of the Local Government Superannuation (Scotland) Regulations.

g) Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Board as a result of past events (eg software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Board.

Intangible assets are measured at cost less amortisation and any provisions for impairment. Amounts are only revalued where the fair value of the assets are held by the Board can be determined by reference to an active market.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1) Accounting Policies (continued)

g) Intangible Assets (continued)

The depreciable amount of an intangible asset is amortised over its useful life in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

h) Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Assets are then carried in the Balance Sheet using fair value, the amount determined by that which would be paid for the asset in its existing use (existing use value - EUV) or where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value. The assets within these financial statements are carried at depreciated replacement cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1) Accounting Policies (continued)**h) Property, Plant and Equipment (continued)**

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year end, but as a minimum every five years.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The written-off value of disposals is appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives

i) Reserves

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged in that year to score against the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and that do not represent usable resources – these reserves are explained in the relevant policies below.

j) Events After the Reporting Period

Events after the reporting period date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1) Accounting Policies (continued)

j) Events After the Reporting Period (continued)

Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

k) VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

l) Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Board when there is reasonable assurance that:

- the Board will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Board are not credited to the Comprehensive Income and Expenditure Account until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the Comprehensive Income and Expenditure Statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2) Changes to Accounting Standards
Accounting Standards Adopted in the Year

The following new Standards, Amendments and Interpretations became effective in 2015/16 for the first time:

- IFRS13 Fair Value Measurement (May 2011) - IFRS13 provides a common definition of fair values which takes into account the characteristics of the assets or liabilities which would be considered by market participants in determining the price of the asset or liability;
- IFRIC 21 Levies - provides guidance on when to recognise a liability for a levy imposed by a government; and
Annual Improvements to IFRS 2011-2013 Cycle - IFRS improvements are generally minor, principally providing clarification.
- IAS36 Impairment of Assets (amended) – measurement of the recoverable amount of impaired assets based on Fair Value less costs of disposal.

There is no impact on the financial statements as a result of the above.

Accounting Standards Issued not yet Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new or amended standard that has been issued but not yet adopted. The key standards that are new or amended within the 2016/17 Code to which this applies are listed below:

- Amendments to IAS 19 Employee Benefits (defined benefits plans: employee contributions) – issued November 2013;
- Annual Improvements to IFRS's 2010-2012 Cycle – issued December 2013;
- Amendment to IFRS 11 Joint Arrangements (accounting for acquisitions of interests in joint operations) – May 2014;
- Amendment to IAS16 Property, Plant and Equipment and IAS 38 Intangible Assets (clarification of acceptable methods of depreciation and amortisation) – May 2014;
- Annual Improvements to IFRS's 2012-2014 Cycle – issued September 2014;
- Amendment to IAS1 Presentation of Financial Statements – issued December 2014;
- Changes to format of Comprehensive Income and Expenditure Statement, Movement in Reserves Statement and introduction of the new Expenditure and Funding Analysis; and
- Changes to Pension Fund Account and Net Assets Statement.

The Code requires implementation from 1 April 2016 and therefore there is no impact on the information provided in the 2015/16 financial statements.

It is anticipated that these amendments will not have a material impact on the information provided in the 2016/17 financial statements however the comparator 2015/16 Comprehensive Income and Expenditure Statement and Movement in Reserves Statement will be reflected in the new format.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3) Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Board has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgement made in the Financial Statements is:

- There is a high degree of uncertainty about future levels of funding from Local Government. However, the Board has determined that this uncertainty is not yet sufficient to provide an indication that the activities of the Board might be impaired as a result of a need to reduce levels of service provision.

4) Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made about the future or that which are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Board's Balance Sheet at 31 March 2016 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

| <u>Item</u> | <u>Uncertainties</u> | <u>Effect if Actual Results Differ from Assumptions</u> |
|--------------------|---|---|
| Pensions Liability | Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Board with expert advice about the assumptions to be applied. | The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £1.883m, and a 1 year increase in member life expectancy would result in an increase in the pension liability of £0.590m. |

NOTES TO THE FINANCIAL STATEMENTS (continued)

5) Events after the Reporting Period

The unaudited Financial Statements were authorised for issue by the Treasurer on 17 June 2016. Events taking place after this date are not reflected in the Financial Statements or Notes.

There have been no material events since the date of the Balance Sheet which necessitates revision to the figures in the Financial Statements or notes thereto.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6) Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to meet future capital and revenue expenditure.

2015/16**Usable Reserves**

| General Fund Balance £000 | Movement in Unusable Reserves £000 |
|--|---|
|--|---|

Adjustments involving the Capital Adjustment Account:Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement

| | | |
|---|------|----|
| Charges for depreciation and impairment of non-current assets | (32) | 32 |
|---|------|----|

Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement

| | | |
|--|----|------|
| Capital expenditure charged against the General Fund | 35 | (35) |
|--|----|------|

Adjustments involving the Pensions Reserve:

Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 17)

| | |
|-------|-----|
| (618) | 618 |
|-------|-----|

Employer's pensions contributions and direct payments to pensioners payable in the year

| | |
|-----|-------|
| 278 | (278) |
|-----|-------|

Adjustment involving the Accumulating Compensated Absences Adjustment Account:

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements

| | |
|---|-----|
| 2 | (2) |
|---|-----|

Total Adjustments

| | |
|--------------|------------|
| (335) | 335 |
|--------------|------------|

NOTES TO THE FINANCIAL STATEMENTS (continued)

6) Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

2014/15

Usable Reserves

| General Fund Balance £000 | Movement in Unusable Reserves £000 |
|------------------------------------|---|
|------------------------------------|---|

Adjustments involving the Capital Adjustment Account:Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement

| | | |
|---|------|----|
| Charges for depreciation and impairment of non-current assets | (20) | 20 |
|---|------|----|

Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement

| | | |
|--|----|------|
| Capital expenditure charged against the General Fund | 37 | (37) |
|--|----|------|

Adjustments involving the Pensions Reserve:

Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 17)

| | |
|-------|-----|
| (533) | 533 |
|-------|-----|

Employer's pensions contributions and direct payments to pensioners payable in the year

| | |
|-----|-------|
| 271 | (271) |
|-----|-------|

Adjustment involving the Accumulating Compensated Absences Adjustment Account:

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements

| | |
|---|-----|
| 2 | (2) |
|---|-----|

Total Adjustments

| | |
|--------------|------------|
| (243) | 243 |
|--------------|------------|

NOTES TO THE FINANCIAL STATEMENTS (continued)

7) Financing and Investment Income and Expenditure

| 2014/15 £000 | | 2015/16 £000 |
|-----------------|---|-----------------|
| 209 | Pensions interest cost and expected return on pensions assets | 247 |
| (5) | Interest receivable and similar income | (4) |
| 204 | | 243 |

8) Surplus on Provision of Services

Amounts Reported for Resource Allocation Decisions

As the Board operates as a single entity, the reporting during the year is that specified by the Service Reporting Code of Practice (SERCOP). Thus there is no requirement to include a reconciliation between that reported during the year and that reported in the Comprehensive Income and Expenditure Statement.

Within Continuing Operations costs there are costs included of £30k (2014/15: £18k) that were not reported during the in-year monitoring. These are as a result of Capital Financing Costs, £32k (2014/15: £20k) and Compensating Absences Account Adjustments, £(2)k (2014/15: £2k).

Within the accounts are the costs and related income of the Portal. The Portal is a website administered by all Assessors in Scotland that provides information on Valuation Rolls and Council Tax lists. Costs are fully met by income therefore there is no impact on the surplus on provision of services.

The following costs incurred by the Portal are included in the table below; Supplies and Services costs of £112k for Professional Fees. These costs are fully offset by income of £112k having no impact on the overall Surplus for the Board in the year.

(NOTES TO THE FINANCIAL STATEMENTS continued)

8) (Surplus)/ Deficit on Provision of Services (continued)

| | 2014/15 £000 | 2015/16 £000 |
|--|-----------------|-----------------|
| Gross Expenditure | | |
| Staff Costs | 1,818 | 1,955 |
| Property Costs | 232 | 224 |
| Transport Costs | 24 | 27 |
| Supplies & Services | 602 | 472 |
| Third Party Payments | 15 | 15 |
| Support Services | 71 | 69 |
| Capital Financing Costs | 20 | 32 |
| | 2,782 | 2,794 |
| Income | | |
| Sales of Electoral Roll | (6) | (7) |
| Sales of Valuation Roll | (26) | (41) |
| Grant Income | (55) | - |
| Other Income | (377) | (240) |
| Council Contributions | (2,539) | (2,271) |
| | (3,003) | (2,559) |
| Net Income | (221) | 235 |
| Financing Expenditure (note 7) | 204 | 243 |
| (Surplus)/ Deficit on Provision of Services | (17) | 478 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

9) Property, Plant and Equipment

| | 2014/15 £000 | 2015/16 £000 |
|---|-----------------|-----------------|
| Opening Gross Book Value | 133 | 170 |
| Additions | 37 | 35 |
| Disposals | - | - |
| Closing Gross Book Value | 170 | 205 |
| Opening Accumulated Depreciation | | |
| Opening Depreciation | 92 | 107 |
| Depreciation for the year | 15 | 27 |
| Disposals | - | - |
| Closing Accumulated Depreciation | 107 | 134 |
| Net Book Value at 31 March | 63 | 71 |

Depreciation

Within Property Plant and Equipment the Board holds computer equipment, furniture and other equipment. The deemed useful life and depreciation rate for these assets is 3 years.

Disposals

There were no asset disposals during 2015/16.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10) Intangible Assets

The Board accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use. The useful life assigned to the new software purchase in the year is three years and the carrying amount of intangible assets is amortised on a straight-line basis.

There were no additions or disposals of assets in 2015/16.

| Software | 2014/15 £000 | 2015/16 £000 |
|---|-------------------------|-------------------------|
| Opening Gross Book Value | 89 | 89 |
| Additions | - | - |
| Disposals | - | - |
| Closing gross book value | 89 | 89 |
| Opening Accumulated Amortisation | | |
| Opening amortisation | 74 | 79 |
| Amortisation for the year | 5 | 5 |
| Disposals | - | - |
| Closing Accumulated Amortisation | 79 | 84 |
| Net Book Value at 31 March | 10 | 5 |

CENTRAL SCOTLAND VALUATION JOINT BOARD
NOTES TO THE FINANCIAL STATEMENTS (continued)

11) Debtors

| 31 March 2015 £000 | | 31 March 2016 £000 |
|-----------------------------------|--------------------------------|-----------------------------------|
| 55 | Other Entities and individuals | 23 |
| <u>55</u> | Total | <u>23</u> |
| <u> </u> | | <u> </u> |

12) Creditors

| 31 March 2015 £000 | | 31 March 2016 £000 |
|-----------------------------------|--------------------------------|-----------------------------------|
| 80 | Central government bodies | 100 |
| 35 | Other local authorities | 44 |
| 162 | Other entities and individuals | 81 |
| <u>277</u> | Total | <u>225</u> |
| <u> </u> | | <u> </u> |

13) Unusable Reserves

| 31 March 2015 £000 | | 31 March 2016 £000 |
|-----------------------------------|--|-----------------------------------|
| 73 | Capital Adjustment Account | 76 |
| (7,658) | Pensions Reserve | (6,208) |
| (20) | Accumulating Compensated Absences Adjustment Account | (18) |
| <u>(7,605)</u> | Total Unusable Reserves | <u>(6,150)</u> |
| <u> </u> | | <u> </u> |

NOTES TO THE FINANCIAL STATEMENTS (continued)

13) Unusable Reserves (continued)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside as finance for the costs of acquisition, construction and enhancement.

Note 6 provides details of the source of all the transactions posted to the Account.

| 2014/15 £000 | | 2015/16 £000 |
|-----------------|--|-----------------|
| 56 | Balance at 1 April | 73 |
| | Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement | |
| (20) | - Charges for depreciation and impairment of non current assets | (32) |
| 37 | - Capital Expenditure charged against the General Fund | 35 |
| <u>73</u> | Balance at 31 March | <u>76</u> |

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Board accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investments returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Board makes employer's contributions to Pension Funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Board has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13) Unusable Reserves (continued)

| 2014/15 | | 2015/16 |
|----------------|--|----------------|
| £000 | | £000 |
| (5,075) | Balance at 1 April | (7,658) |
| (2,321) | Actuarial gains or (losses) on pensions assets and liabilities | 1,790 |
| | Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement | |
| (533) | Employer's pensions contributions and direct payments to pensioners payable in the year | (618) |
| 271 | | 278 |
| (7,658) | Balance at 31 March | (6,208) |

NOTES TO THE FINANCIAL STATEMENTS (continued)

13) Unusable Reserves (continued)

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account represents holiday entitlement earned but not yet taken and absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

| 2014/15 £000 | 2014/15 £000 | | 2015/16 £000 | 2015/16 £000 |
|-----------------|-----------------|---|-----------------|-----------------|
| | (22) | Balance at 1 April | | (21) |
| 22 | | Settlement or cancellation of accrual made at the end of the preceding year | 21 | |
| (20) | | Amounts accrued at the end of the current year | (18) | |
| | 2 | Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements | | 3 |
| | (20) | Balance at 31 March | | (18) |

14) Non Cash Movements

| 2014/15 £000 | | 2015/16 £000 |
|-----------------|---|-----------------|
| (20) | Depreciation & Amortisation | (32) |
| (79) | Increase/(Decrease) in Creditors | 52 |
| (25) | (Increase)/Decrease in Debtors | (32) |
| (262) | IAS19 Adjustments | (339) |
| (386) | Net cash flows from non cash movements | (351) |

NOTES TO THE FINANCIAL STATEMENTS (continued)

15) Material Items of Income and Expense

Council Contributions

| 2014/15 £000 | | 2015/16 £000 |
|-----------------|--------------------------|-----------------|
| (1,251) | Falkirk Council | (1,256) |
| (895) | Stirling Council | (898) |
| (393) | Clackmannanshire Council | (394) |
| <u>(2,539)</u> | | <u>(2,548)</u> |

16) External Audit Costs

| 2014/15 £000 | | 2015/16 £000 |
|-----------------|---|-----------------|
| 7 | Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year | 7 |
| <u>7</u> | | <u>7</u> |

NOTES TO THE FINANCIAL STATEMENTS (continued)

17) Defined Benefit Pension Schemes

Participation in pension schemes

As part of the terms and conditions of employment of its officers, the Board makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Board has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Board participates in two post employment schemes:

- The Local Government Pension Scheme, administered locally by Falkirk Council – this is a funded defined benefit final salary scheme, meaning that the Board and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- Arrangements for the award of discretionary post retirement benefits upon early retirement – this is an unfunded defined benefit final arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

Transactions relating to post employment benefits

The Board recognise the cost of retirement benefits are recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Board is required to make is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

NOTES TO THE FINANCIAL STATEMENTS (continued)

17) Defined Benefit Pension Schemes (continued)

| | Local Government Pension Scheme | |
|---|------------------------------------|-----------------|
| | 2014/15 £000 | 2015/16 £000 |
| Comprehensive Income and Expenditure Statement | | |
| <i>Cost of Services</i> | | |
| • current service cost | 324 | 370 |
| • past service costs | - | 1 |
| <i>Financing and Investment Income and Expenditure</i> | | |
| • Interest expense - defined benefit obligation | 731 | 679 |
| • Interest income on scheme assets | (522) | (432) |
| <i>Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services</i> | 533 | 618 |
| <i>Other Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement</i> | | |
| Re-measurement of the net defined benefit liability comprising | | |
| • return on pension fund assets (excluding interest income above) | (621) | 237 |
| • Actuarial (gains)/losses arising on changes in financial assumptions | 1,796 | (1,745) |
| • Actuarial (gains) arising on changes in demographic assumptions | (249) | - |
| • Other experience (gains)/losses | 1,395 | (282) |
| <i>Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement</i> | 2,854 | (1,172) |
| Actuarial (gains)/losses on pension fund assets and liabilities | 2,321 | (1,790) |

NOTES TO THE FINANCIAL STATEMENTS (continued)

17) Defined Benefit Pension Schemes (continued)

| | Local Government Pension Scheme | |
|---|------------------------------------|-----------------|
| | 2014/15 £000 | 2015/16 £000 |
| <i>Movement in Reserves Statement</i> | | |
| <ul style="list-style-type: none"> reversal of net charges made to the Total Comprehensive Income and Expenditure Statement for post employment benefits in accordance with the Code | (533) | (618) |
| | — | — |
| <i>Actual amount charged against the General Fund</i> | | |
| <i>Balance for pensions in the year:</i> | | |
| <ul style="list-style-type: none"> employers contributions payable to scheme | 271 | 278 |
| | — | — |

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the balance sheet arising from the Board's obligation in respect of its defined benefit plan is as follows:

| | 2014/15 £000 | 2015/16 £000 |
|--|-----------------|-----------------|
| Present value of the defined benefit obligation* | (21,393) | (19,678) |
| Fair value of pension fund assets | 13,735 | 13,470 |
| | — | — |
| Net Liability arising from Defined Benefit Obligation | (7,658) | (6,208) |

* unfunded liabilities included in the figure for present value of liabilities

| | | |
|---------------------------------------|-----|-----|
| Unfunded liabilities for Pension Fund | 415 | 357 |
|---------------------------------------|-----|-----|

The liabilities show the underlying commitments that the Board has in the long run to pay post employment (retirement) benefits. The net liability of £6.208m has a substantial impact on the net worth of the Board as recorded in the Balance Sheet, resulting in an overall negative balance of £5.270m. However, statutory arrangements for funding the deficit means that the financial position of the Board remains healthy:

- the deficit on the scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary; and
- finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

NOTES TO THE FINANCIAL STATEMENTS (continued)

17) Defined Benefit Pension Schemes (continued)

A reconciliation of the Board's share of the present value of Falkirk Pension Fund's defined benefit obligation (liabilities) is as follows:

| | 2014/15 £000 | 2015/16 £000 |
|---|-----------------|-----------------|
| Opening balance at 1 April | (17,975) | (21,393) |
| Current service cost | (324) | (370) |
| Interest cost | (731) | (679) |
| Contributions by scheme participants | (79) | (79) |
| Re-measurement gains and (losses) | | |
| Actuarial gains from change in demographic assumptions | 249 | - |
| Actuarial gains/(losses) from change in financial assumptions | (1,796) | 1,745 |
| Actuarial gains/(losses) from other experiences | (1,395) | 282 |
| Past Service | - | (1) |
| Benefits paid | 658 | 817 |
| Closing value at 31 March | (21,393) | (19,678) |

A reconciliation of the Board's share of the fair value of Falkirk Pension Fund's assets are as follows:

| | 2014/15 £000 | 2015/16 £000 |
|---|-----------------|-----------------|
| Opening fair value of pension fund assets | 12,900 | 13,735 |
| Interest Income | 522 | 432 |
| Return on pension assets (excluding amounts included in net interest) | 621 | (237) |
| Contributions from employers | 271 | 278 |
| Contributions by employees into the scheme | 79 | 79 |
| Benefits paid | (658) | (817) |
| Closing fair value of pension fund assets | 13,735 | 13,470 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

17) Defined Benefit Pension Schemes (continued)

Analysis of Pension Fund Assets

| The Board's share of the Pension Fund comprised: | 31 March 2015 | 31 March 2016 |
|--|------------------|------------------|
| Equity instruments (by industry type) | | |
| - Consumer | 1,329 | 1,414 |
| - Manufacturing | 819 | 761 |
| - Energy & Utilities | 541 | 481 |
| - Financial Institutions | 1,003 | 871 |
| - Health & Care | 713 | 689 |
| - Information Technology | 554 | 816 |
| - Other | 237 | - |
| Sub Total Equity | 5,196 | 5,032 |
| Debt Instruments | | |
| -Corporate bonds (investment guide) | - | 218 |
| Property (by type) | | |
| - UK | 988 | 1,047 |
| - Overseas | 48 | 32 |
| Sub Total Property | 1,036 | 1,079 |
| Private Equity | | |
| - UK | 795 | 980 |
| Sub Total Private Equity | 795 | 980 |
| Other Investment Funds | | |
| - Equities | 2,953 | 2,865 |
| - Bonds | 1,220 | 928 |
| - Infrastructure | 346 | 176 |
| - Other | 1,606 | 1,555 |
| Sub Total Other Investment Funds | 6,125 | 5,525 |
| Cash and Cash Equivalents | 583 | 636 |
| Total Assets | 13,735 | 13,470 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

17) Defined Benefit Pension Schemes (continued)

Basis for Estimating Assets and Liabilities

The Board's share of the net obligations of the Falkirk Pension Fund is an estimated figure based on actuarial assumptions about the future and is a snapshot at the end of the financial year. The net obligation has been assessed using the "projected unit method", that estimates that the pensions will be payable in future years dependant upon assumptions about mortality rates, salary levels and employee turnover rates.

The fund's obligation has been assessed by Hymans Robertson, an independent firm of actuaries, and the estimates are based on the latest full valuation of the fund at 31 March 2014 updated through to 31 March 2015. The significant assumptions used by the actuary are shown in the table below. The note includes a sensitivity analysis for the pension obligation based on reasonably possible changes in these assumptions occurring at the reporting date.

The principal assumptions used by the actuary have been:

| | Local Government Pension Scheme | |
|---|--|----------------|
| | 2014/15 | 2015/16 |
| Long-term expected rate of return on assets in the scheme: | | |
| Equity investments | 3.2% | 3.5% |
| Bonds | 3.2% | 3.5% |
| Property | 3.2% | 3.5% |
| Cash | 3.2% | 3.5% |
| Mortality assumptions: | | |
| Longevity at 65 for current pensions | | |
| - Men | 22.1 years | 22.1 years |
| - Women | 23.8 years | 23.8 years |
| Longevity at 65 for future pensioners | | |
| - Men | 24.3 years | 24.3 years |
| - Women | 26.3 years | 26.3 years |
| Rate of inflation | 2.4% | 2.2% |
| Rate of increase in salaries | 3.8% | 3.7% |
| Rate of increase in pensions | 2.4% | 2.2% |
| Rate for discounting scheme liabilities | 3.2% | 3.5% |

NOTES TO THE FINANCIAL STATEMENTS (continued)

17) Defined Benefit Pension Schemes (continued)

LGPS liabilities are sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The method and types of assumption used in preparing the sensitivity analysis below did not change from this used in the previous period.

Change in Assumptions at 31 March 2016

| | Approximate % Increase to Employer | Approximate Monetary Amount (£000) |
|--|---|---|
| 0.5% decrease in Real Discount Rate | 10% | 1,883 |
| 1 year increase in Member Life Expectancy | 3% | 590 |
| 0.5% increase in the Salary Increase Rate | 3% | 676 |
| 0.5% increase in the Pension Increase Rate | 6% | 1,171 |

Impact on the Authority's Cash Flow

The objective of the Falkirk Pension Fund is to keep employers contributions at as constant a rate as possible. Employers' contributions have been provisionally set at the following proportion of employees' rates for the three years: 2015-16 (21%) and 2016-17 (21.5%) and 2017-18 (21.5%). The next triennial valuation is due to be completed on 31 March 2017 where these rates may be required to be updated. The fund will need to take account of impending national changes to the LGPS such as the move to a new career average revalued earnings (CARE) scheme. The total contributions expected to be made by the Board to Falkirk Pension Fund in the year to 31 March 2017 is £258k.

NOTES TO THE FINANCIAL STATEMENTS (continued)

18) Nature and Extent of Risks arising from Financial Instruments

As at 31 March 2016 the Valuation Joint Board has Debtors of £23k, cash and cash equivalents of £1,064k and Creditors of £225k. There is no provision for bad debts. The transactions entered into do not give rise to any market or liquidity risk and credit risk is considered below.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Board's customers.

The Board's finances are controlled by Clackmannanshire Council. This risk is minimised through the Council's Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Additional selection criteria are also applied after this initial criteria. Details of the Investment Strategy can be found on the Clackmannanshire Council's website. The full Investment Strategy for 2015/16 was approved by Full Council on 5th March 2015 and is available on the Council's website.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council. Clackmannanshire Council's maximum exposure to credit risk, in relation to its investments in banks and building societies of £3.640m, cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of non-recoverability applies to all of the Council's deposits, but there was no evidence at 31 March 2016 that this was likely to crystallise.

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

19) Related Parties

The Board is required to disclose material transactions with the related parties - bodies or individuals that have potential to control or influence the Board or to be controlled or influenced by the Board. Disclosure of these transactions allows leaders to assess the extent to which the Board might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Board. In this context related parties include:

NOTES TO THE FINANCIAL STATEMENTS (continued)

Related Parties (continued)

- Other Local Authorities: and
- Elected Members and Chief Officers.

The following related party transactions in 2015/16 are disclosed elsewhere within the Annual Report and Financial Statements:

- a) Requisitions from other Local Authorities are shown in Note 8 to the Comprehensive Income and Expenditure Statement; and
- b) Payments to Elected Members and Chief Officers are shown in the Remuneration Report

The background of the slide features a large, faint, light blue outline of the City of Vancouver coat of arms. The crest includes a crown at the top with four maple leaves, a shield divided into four quadrants (top-left: saltire, top-right: stag's head, bottom-left: sailing ship, bottom-right: eagle), and a banner at the bottom with the motto 'A NE FOR A'.

AGENDA ITEM

5

Risk Assessment Report

AGENDA ITEM 5

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: Risk Assessment Report
Meeting: Central Scotland Valuation Joint Board
Date: 17th June, 2016
Author: Pete Wildman, Assessor & Electoral Registration Officer

1.0 Introduction

In February 2012 the Joint Board approved the Risk Management Strategy. It is good practice to review the strategy on an annual basis. The strategy, in appendix 1, was slightly amended in June 2015 to reflect the revised Management Structure.

2.0 Review of Strategy

The main purpose of the strategy is to identify potential risks before they occur, to then establish the potential consequences and finally determine the nature of the Joint Board's response to those risks. There are very good management and operational reasons for having such a strategy. It allows the Management Team time to carefully consider and evaluate risks before they occur, make informed decisions on what resources and actions are required and the priority to be given to those actions. This ensures good strategic planning of resources resulting in financial and operational efficiency. Having reviewed the strategy I am not proposing any amendments to it this year.

3.0 Recent Amendments to Identified Risks

The latest Risk Analysis for all general risks with initial "Risk Score" of 4 or more are shown in the appendix 2 along, with any recent changes to "Existing Controls" or "Required Actions". The recent changes are shown in red text.

3.0 Recommendations

3.1 It is recommended that the Valuation Joint Board approves the risk strategy.

- 3.2** It is recommended that the Valuation Joint Board note the current general risk assessment analysis for all functions.

.....
Pete Wildman
8 June, 2016

Appendix

1. Risk Assessment Strategy
2. Extract from General Risk Analysis



RISK MANAGEMENT STRATEGY

June 2016

VJB Risk Management Strategy.

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1. **INTRODUCTION**

Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they do occur.

Risk management offers a number of benefits. It is not simply about insurance or health and safety risks. Rather, effective risk management will provide the Valuation Joint Board with a means of improving its strategic, operational and financial management. It can also help to minimise financial losses, service disruption, bad publicity, threats to public health or claims for compensation.

Risk management is a key task for managers in every organisation. In local government, identifying and evaluating the consequences of policies or actions is not always referred to as risk management. However, failure to pay proper attention to the likelihood and consequences of risks could cause the Joint Board serious problems. The effective management of risk is therefore a critical part of the Joint Board's approach to delivering the sound governance element of Best Value.

Risk management is an integral to policy planning and operational management. Identifying, analysing, controlling and monitoring risk will help elected members and managers make informed decisions about the appropriateness of adopting policy or service delivery options.

This is Central Scotland Valuation Joint Board's Risk Management Strategy. It sets out policy in respect of business risk and provides a framework to structure the approach taken in the analysis of risks for each project that the Assessor and ERO undertakes

2. **POLICY CONTEXT**

Central Scotland Valuation Joint Board aims to provide high quality, effective and responsive services to all of our stakeholders.

In order to achieve this the Valuation Joint Board is committed to the management of risks within its control in order to safeguard its employees and service users, protect its assets, preserve and enhance service delivery and maintain effective stewardship of its funds.

3. **AIMS AND OBJECTIVES OF THE STRATEGY**

The aims and objectives of the strategy include:-

- Identification of risks
- Quantification of risks
- Control of risks
- Financing of risks

4. **SCOPE OF THE STRATEGY**

All risks associated with

- services
- staff
- assets
- infrastructure
- systems
- stakeholders

will be included in the risk management process. Risk management is a continuous process that will incorporate all strategic and operational risks. Categories of strategic and operational risks are defined in Appendix 1.

5. **PROCESS AND METHODOLOGY**

To manage risk effectively, the risks associated with each policy option or service delivery method needs to be systematically identified, analysed, controlled and monitored.

In line with these requirements, a four stage approach to risk management will be adopted. This approach will also be adopted for specific projects undertaken as well as for the general organisation risks.

5.1 **Approach**

5.1.1 Risk Identification

For each category in Appendix 1, actual losses and failures which have occurred as well as those which might threaten the Joint Board will be identified and listed in a Risk Register.

5.1.2 Risk Analysis

Each risk identified will be systematically and accurately assessed. The process will assess

- the probability of a risk event occurring, and
- the potential severity of the consequences should such an event occur.

Using managers' experience, judgements will be made about the likelihood and severity of events occurring and these will be categorised as low, medium or high risk.

The probability and severity will then be assessed together using the formula

$$\text{Risk} = \text{Likelihood of occurrence} \times \text{Severity}$$

Risks will then be prioritised for control action.

5.1.3 Risk Control

Actions will be taken or planned to minimise the likelihood of the risk occurring or the severity of the consequences should it happen. This may require the identification and implementation of projects or revisions to operating practices. The appropriate action may be to transfer risk to another body or to accept the risk.

5.1.4 Risk Monitoring

The effectiveness of any actions or amendments to operating practices must be monitored and reviewed and the nature of risks will be assessed for change over time.

5.2 Risk Register

- The Assessor and ERO's Management Team will be responsible for developing and maintaining a general risk register.
- Each project undertaken will include a risk assessment specific to that project
- The general risk register will be reviewed by the Management Team at their regular meetings.
- Significant updates to risk registers will be reported to the Joint Board.
- The Assessor and ERO will have overall responsibility for the general risk register.

6. ROLES AND RESPONSIBILITIES

| | Role |
|--------------------|---|
| Elected Members | Oversee the effective management of risk by officers of the Joint Board |
| Assessor and ERO | Ensure that the Joint Board manages risk effectively through the development, implementation and review of a risk strategy. Overall responsibility for the development and maintenance of a risk register Report risk register to Joint Board |
| Management Team | Input into the development, implementation and review of a risk strategy. Input into the development and maintenance of a risk register To ensure risk is effectively managed across all areas of the Joint Board's functions Organise relevant training and raise awareness of the risk strategy. Monitor and Review success of risk control actions and procedures. |
| Assistant Assessor | To work with Councils and outside agencies on insurance issues. |
| Line Managers | Assist in the implementation of the risk management strategy across relevant area of function |
| Employees | Make every effort to be aware of situations which place themselves, others or service delivery at risk and report hazards. Provide information on any risks or hazards to Management Team for inclusion within risk register. |
| Council Services | Provide assistance, advice and training on budgetary planning and control. Provide assistance and advice on insurance and risk. Assist in the handling of any litigation claims. Negotiate insurance cover? |
| Office Manager | Advise on any health and safety implications of the chosen or preferred arrangements for service delivery |

7. IMPLEMENTATION

Implementation of this policy will include the following:-

- A risk assessment register will continue to be maintained
- An annual review of the risk management strategy will be carried out and presented to the Valuation Joint Board.

8. FINANCING RISK

Risk financing is an important element of risk management. The purpose is to reduce the total cost of risk, which includes;

- The amount of uninsured losses met by the Joint Board's funds
- Insurance premiums for the external insurance cover obtained
- Excesses applied to individual claims
- Management and administration costs associated with risk and insurance
- The cost of preventative measures taken to reduce risk.

In major initiatives and partnerships the cost of risk will be shared as far as is possible.

Revenue budgets will carry the costs relating to risk prevention and loss.

APPENDIX 1

Strategic Risks are hazards and risks which need to be taken into account in judgements about the medium to long term goals and objectives of the Valuation Joint Board. These may include:-

| Risk Category | Definition |
|----------------------|---|
| Political | Those associated with failure to deliver either local/central government policy. |
| Economic | Those affecting the ability of the Joint Board to meet its financial commitments, including budgetary pressures, failure to purchase adequate insurance cover and changes in the economy. |
| Social | Those relating to the effects of changes in demographic, residential or socio-economic trends on the Joint Board's ability to deliver its services |
| Technological | Those associated with the Joint Board's capacity to deal with the pace/scale of technological change, its ability to use technology to address changing demands, or the consequences of failure of technologies on the Joint Board's ability to deliver its services. |
| Legislative | Those associated with current or potential changes in national or European law. Those associated with failure to meet statutory duties |
| Environmental | Those related to the environmental consequences of delivering the Joint Boards services. |
| Competitive | Those affecting the competitiveness of the service in terms of cost or quality |
| Customer/Citizen | Those associated with failure to meet the current and changing needs, expectations and aspirations of customers and services |

Operational Risks are hazards and risks which managers and staff will encounter in the daily course of their work. These may include:-

| Risk Category | Definition |
|----------------------|--|
| Professional | Those associated with the particular nature of each profession |
| Financial | Those associated with financial planning and control and the adequacy of insurance cover |
| Legal | Those related to possible breaches of legislation |
| Physical | Those related to fire, security, accident prevention and health & safety |
| Contractual | Those associated with the failure of contractors to deliver services or products to the agreed specification and cost and within agreed timescale. |
| Technological | Those related to reliance on operational equipment (e.g. IT systems etc) |
| Environmental | Those related to pollution, noise or energy efficiency of ongoing service operation. |

| original Risk No | Category | Risk Description | Existing Controls | L | S | Risk Score | Required Actions | Residual Risk | Person(s) mainly responsible | Timescale "continuous/ongoing" unless otherwise noted | Main function |
|------------------|---------------|--|--|---|---|------------|--|---------------|--|---|---------------|
| 74 | Financial | Lack of funds/budget cuts | Regular meeting with accountant and Assessor. Early preparation of Budget - 3 year budgeting | 3 | 2 | 6 | Close working between Treasurer and Assessor. Ensure that sufficient key staff are retained to deliver services. Ensure limited respuces are used optimally. Ensure Board is aware of its statutory duty to fund the Assessor and ERO to carry out his statutory duties. Forward planning | 4 | Assessor | | All |
| 89 | Political | Introduction of Individual Registration increasing costs of canvass | Monitor and react to proposals for individual registration - keep involved in Electoral Commission and Cabinet Office groups planning the introduction. Close liaison with other EROs and Cabinet Office through AEA and SAA. | 2 | 3 | 6 | Extra funding received from Cabinet Office but they have indicated that this will diminish over the course of the next five years. Close monitoring of spend as canvass progresses. Work with Cabinet Office to get legislation amended to make processes more efficient. | 4 | ERO | Ongoing | Electoral |
| 38 | Financial | LA supplying support services removing/reducing service or failure to provide service at required levels | Regular contact to identify and address issues. Reps attend MT meetings | 2 | 3 | 6 | Put Service Level Agreements in place. Carry out options appraisal to identify potential alternative robust solutions | 4 | Assessor/Treasurer | Mar-16 | |
| 4 | Technological | Loss of systems administration capability | In House IT Team. Documented procedures, external support contract in place | 2 | 3 | 6 | Review support contract to ensure it provides correct cover. Periodically review documentation, no delay in filling any vacancy. Investigate employing another Systems Administrator. | 4 | Assessor/IT Team/ITWG | Summer 2016 | All |
| 37 | Technological | Computer virus attack | Strict back up regime. Complemented by mirror site at Stirling for EMS. IT Team awareness of anti virus measures. Regular update of virus checking. Email/internet policy and guidance. Regular patching of firewall and software | 2 | 3 | 6 | Ongoing review and monitoring by Systems Administrator Compliance with IT Security policies coupled with regular staff training | 4 | IT team | Ongoing | All |
| 60 | Professional | Failure to retain/attract professional staff | Ensure salaries and prospects match those of neighbouring offices as far as possible. Staff structure amended to allow a career path within the office recognising experience and abilities within the structure. | 2 | 3 | 6 | Staff allocated to SAA committees reviewed in 2016. Single status implemented on 01/01/2012 following independent evaluation of all posts. Develop in-house training to encourage qualification of technical staff. Review Advertising mechanisms. | 4 | Assessor/Assistant Assessor | Ongoing | Valuation |
| 76 | External | IT Supplier not having a Business Continuity Plan in place resulting in loss of IT System | High possibility of serious error affecting all users-mitigated by mirroring and backups but it requires all users to report errors quickly | 2 | 3 | 6 | Check at tender stage that all critical suppliers have a BCP in place. If an existing Contractor does not have one in place, then request that they do so. If that is not possible then look to switch supplier | 4 | Assessor & Office Manager | ongoing | all |
| 1 | Technological | Misuse of data/internet | Use of computers,email, and internet policy approved by Board and explained to staff in 2005 and has been part of induction for new staff since then. All staff sign acceptance of policy before getting access to systems. Confidentiality Agreements in place. Data Protection training provided on an annual basis User logs and permissions are regularly reviewed. Document handling policy in place. USB and DVD use strictly controlled | 2 | 2 | 4 | Although encryption techniques are used and have been successful there is a risk of data loss in dealing with legally entitled recipients who are not familiar with such security. Strict checking processes are followed before data is released. Document handling policy. Regular staff training. | 4 | Office manager (for new staff) Depute ERO and Assistant Assessor for external. | Ongoing | All |

| | | | | | | | | | | | |
|-----|-----------------|--|---|---|---|---|---|---|--------------------------------------|-----------|-----------|
| 2 | Technological | Loss of programming capability | In House IT Team. Ensure training is kept up to date in programming capability - IT Workload is closely monitored through IT Working Group. Support contract with third party in place | 2 | 2 | 4 | Review IT support contract to ensure it continues to be fit for purpose. Ensure that programming continues to be fully documented and that we employ two programmers for resilience | 4 | Assessor/IT Team/ITWG | Ongoing | All |
| 5 | Legislative | Change to method of financing Local government | Monthly meeting with accountant (office manager and/or Assessor). Awareness of and input to government policy through SAA | 2 | 2 | 4 | | 4 | SAA | | Valuation |
| 6 | Professional | Reliance on any one individual for particular functions | Review of working practices and manuals to eliminate bottlenecks where the skills or expertise of one person is relied on. <u>Valuation:</u> Assessor and all statutory Deputies are members of the SAA and influence national working practices through the SAA Committee system. Information from these Committees and groups is shared. The Assistant Assessor reviews performance and practice after each VAC hearing (currently in 2015 - two monthly). Principal and Senior Valuers are on SAA Working Groups | 2 | 2 | 4 | Ensure all office processes are documented and good records management regime is in place | 4 | Assistant Assessor | Late 2016 | Valuation |
| 43 | Technological | Software becomes obsolete/ inefficient | Expertise within IT Team - continuously review software capabilities and staff needs. IT training organised in line with other training/development | 2 | 2 | 4 | Set up intra office working groups to allow improved communication between users and IT Team. Regular review of IT Team's training needs. Software maintenance agreements kept in place for key systems | 4 | ITWG group | | Valuation |
| 44 | Environmental | Inefficient use of resources | Regular meeting with accountant and Office manager. Joint Framework agreement agreed. Use tendering where appropriate. | 2 | 2 | 4 | Closer liaison and working with Clackmannanshire Council Procurement Services. Review of Procurement Procedures. | 4 | Assessor/Management team | | All |
| 45 | Legal/political | Court Action by Prisoners in run up to elections | establish "Caveats" with all local Courts and Court of Session | 2 | 2 | 4 | Caveats are in place | 4 | ERO | Feb-17 | Electoral |
| 46 | External | Out of date Corporate Address Gazetteer resulting in moving away from electoral data standards goals | New Council Tax properties are added to CT and EROS systems with CAG numbers. New Non Domestic properties are added to Best Value with CAG numbers | 2 | 2 | 4 | We will continue to assist CAGs with data from our systems to aid in their awareness of completeness of individual properties and verification of addresses | 4 | Assistant Assessor and Depute ERO | | Electoral |
| 49 | Technical | Alterations to IT systems in the run up to an election | Work with software and hardware suppliers to ensure that there are no planned alterations in the run up to an election/referendum | 2 | 3 | 6 | Critically risk assess any unplanned updates to ensure that the delivery of the election/referendum is not compromised | 4 | ERO/Depute ERO/Systems Administrator | | Electoral |
| 49A | political/legal | Failure to maintain PSN accreditation IER | Close working with Cabinet Office and other VJBs. Close monitoring of PSN compliance and early identification of issues. Close working with ROs | 2 | 3 | 6 | Use CLAS consultant. Act on outcome of IT Penetration Tests. Continual review of risks | 4 | ERO/Systems Administrator | | Electoral |

| | | | | | | | | | | | |
|----|-------------------|---|---|---|---|---|--|---|------------|----------------------|-----------|
| 54 | Customer/ citizen | AV list for Returning Officers/printers | This is a major pressure point and there has to be early engagement with RO staff well before the election is called. If possible be involved at an early stage of negotiation between RO and printer regarding timing, but they are ultimately the ROs' decisions. Following these early discussions arrange for sufficient staff and other resources to be available as required (including overtime and IT resources) but also it is important to consider emergency scenarios, and the possibility of late rearrangements resulting from national discussions (see election risk/contingency plan for any upcoming elections) | 2 | 3 | 6 | There are several ways to approach AV lists from an emergency scenario point of view, but the exact arrangements depend on the required final provision of the AV list. In all cases however, AV lists should be kept up to date and saved (or supplied to printers) on an incremental basis so that a system, power, or building failure even on the last day will not require a complete re-start, and any need for manual processing of pull outs and supplementary lists is minimised. As part of this a full read-in check of the standing list should be carried out well before the election as there will not be time to do this later. A supplementary check of additions can be carried out nearer the election. Occurrence of an epidemic can be mitigated by re-allocating the workload to non electoral staff that have EROS access for scanning purposes and train them in appropriate parts of the registration process. Access to any part of the system which can be used (by any user) to amend the AV lists should be tightly restricted by the administrator as soon as an election is likely. | 4 | Depute ERO | Review Early 2017 | Electoral |
|----|-------------------|---|---|---|---|---|--|---|------------|----------------------|-----------|

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AGENDA ITEM

6

HEALTH & SAFETY GENERAL POLICY STATEMENT

AGENDA ITEM 6

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: HEALTH & SAFETY GENERAL POLICY STATEMENT
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 17th JUNE 2016
Author: PETE WILDMAN, ASSESSOR & ERO

1.0 INTRODUCTION

- 1.1 Central Scotland Valuation Joint Board (CSVJB) recognises that, both as an employer and service provider, it has a legal duty to ensure that there is a suitable Health & Safety framework in place to protect both employees and service users.

2.0 BACKGROUND

- 2.1 The draft policy was considered by the Staff Consultation Forum on the 2nd June, 2016 and they have proposed no changes to it. The policy will replace the existing Health & Safety Note which was last updated in May 2013.

3.0 HEALTH & SAFETY GENERAL POLICY STATEMENT

- 3.1 The aim of this document is to set out the Health & Safety Framework for the Valuation Joint Board. It clearly defines the roles and responsibilities of employees and elected members.
- 3.2 Beneath this general overarching documents sits procedural documents, risk assessments and guidance for managers
- 3.3 The Assessor and his Management Team will focus this year on updating and expanding the existing documents. They will work with

the Staff Consultation Forum whose terms of reference includes acting as the Health & Safety Forum. We will also provide further training as part of this review.

4.0 RECOMMENDATION

I ask that the Board approves the new 'Health & Safety General Policy Statement'

.....
Assessor & ERO

Appendix 1 – Health & Safety General Policy Statement - proposed



HEALTH AND SAFETY GENERAL POLICY STATEMENT

HEALTH AND SAFETY

| | | | | |
|--|--|--|------------------------|-----------|
| Document Title | Health and Safety General Policy Statement | Issue no. 1 (in new format) | Date of Issue | **** 2016 |
| Issued by | Pete Wildman | Equality Impact Assessment Date | Full EQIA not required | |
| This is an electronically retained document. All printed copies are uncontrolled. | | | | |

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1. INTRODUCTION

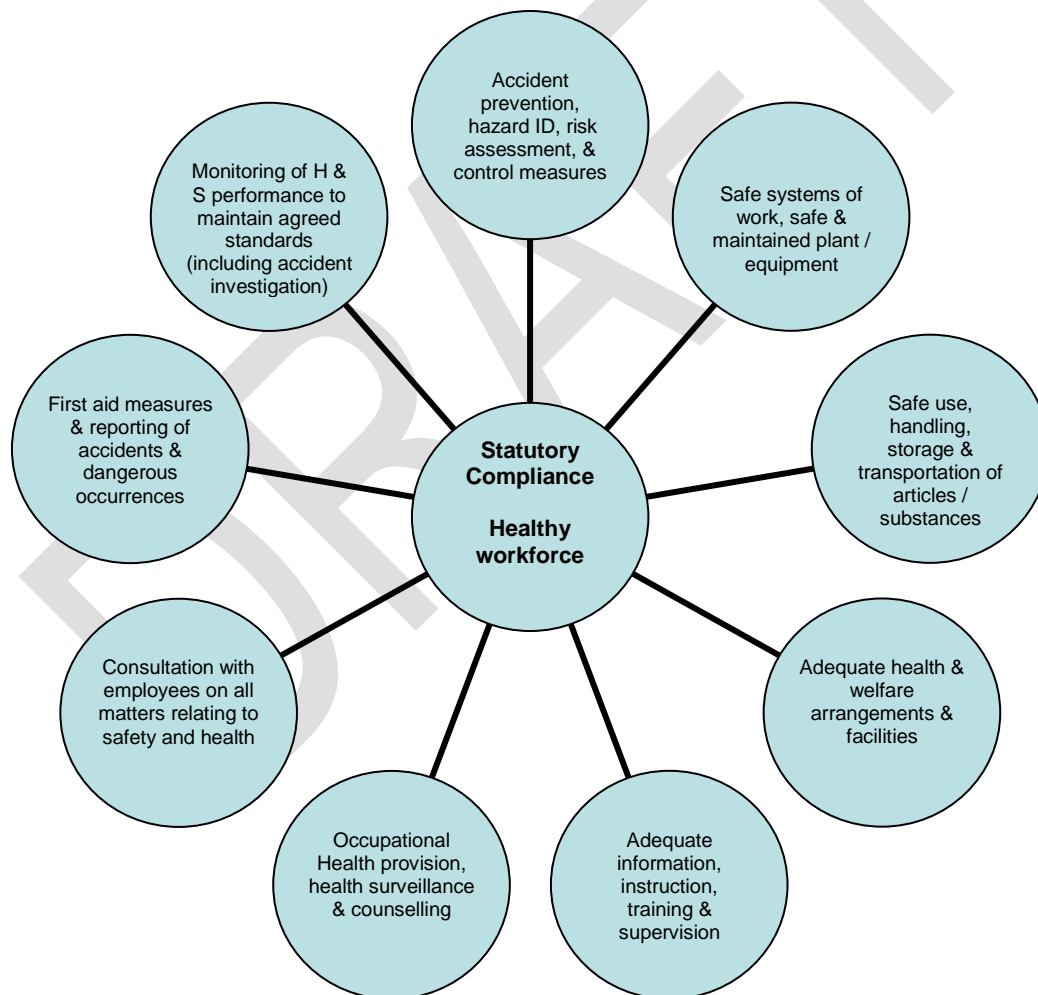
- 1.1 Central Scotland Valuation Joint Board is required by law to:
- compile and implement a comprehensive general policy statement on health and safety;
 - regularly review and update the policy and
 - bring it to the attention of all employees.
- 1.2 This general H & S policy statement provides the foundation to the Health & Safety Management System within Central Scotland Valuation Joint Board. It is pivotal to ensuring the Board achieves its' goals without compromising the health, safety and welfare of staff and others who may be affected by the Board or Assessor/Electoral Registration Officer (ERO) activities.
- 1.3 Everyone in the Board has a role to play in ensuring high standards of health & safety management. These roles are clarified within the organisation section of this document.
- 1.4 This document is the foreword to all team-level H & S management / procedural documentation where applicable. Everyone with line management responsibility for others must ensure that their staff have access to this document, either via the intranet or hard copy.
- 1.5 The detailed arrangements for achieving the aims of this policy are laid out within the various topic-specific health & safety policy and arrangement / guidance documents on, for example, asbestos, manual handling, fire etc. All health and safety management system documentation is available on the intranet under Minutes/Policies etc. – Health & Safety

2. PART A – CENTRAL SCOTLAND VALUATION JOINT BOARD HEALTH AND SAFETY POLICY GENERAL STATEMENT

- 2.1 The Assessor, Elected Members and Management Team of Central Scotland Valuation Joint Board recognise that health and safety is a fundamental part of the efficient and effective delivery of the Assessor & ERO's services.
- 2.2 It is the policy of Central Scotland Valuation Joint Board to ensure, so far as is reasonably practicable, the health, safety and welfare of its employees and the health and safety of other persons who may be affected by its activities. Central Scotland Valuation Joint Board will take the necessary steps to ensure that statutory duties are met at all times. These duties are laid out in the Health & Safety at Work etc. Act 1974 and the relevant subordinate regulations.
- 2.3 Health and safety requirements will be implemented and managed in a rational manner that is proportionate to the level of risk.
- 2.4 In accordance with Regulation 7 of the Management of Health & Safety at Work Regulations 1999, competent persons will be appointed to assist the Board in meeting statutory duties including, where appropriate, external specialists.

- 2.5 The Board recognises the importance of employee involvement in establishing Health & Safety arrangements, policies and procedures. In accordance with the Health & Safety (Consultation with Employees) Regulations 1996 and the Safety Representatives and Safety Committees Regulations 1977, arrangements will be made and maintained in order to provide for the effective discussion and consultation on health and safety matters with the employee and recognised Trade Union Safety Representatives. The Board will also provide safety representatives appointed by recognised Trade Unions with reasonable paid time off and facilities to carry out their roles.
- 2.6 The Board's Health & Safety Management System aims to ensure statutory compliance and a safe and healthy workforce. This will be achieved through demonstrating commitment to and implementing arrangements to satisfy the following elements.

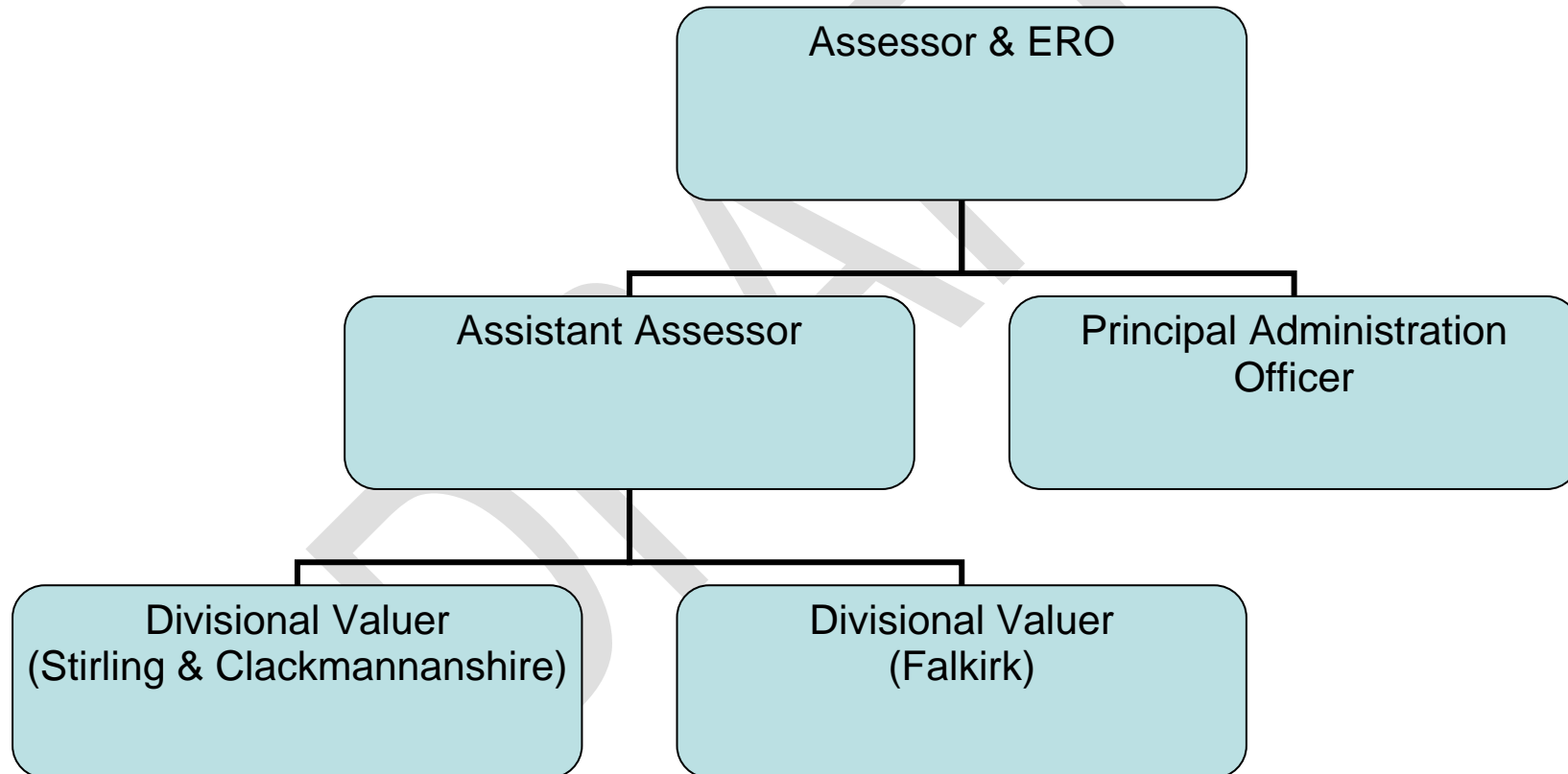
Figure 1 H & S Management System



3. PART B - ORGANISATION

- 3.1 Good management, direction and supervision are essential for establishing adequate levels of health and safety management in work places. These factors are implicit requirements in all health and safety legislation. Responsibilities are assigned to named managerial/supervisory positions below so that post holders clearly understand their roles within the overall framework of this policy.

Figure 2 - Board Organisation



3.1 Assessor & ERO

The Assessor & ERO supported by the Assistant Assessor, has overall responsibility for ensuring the effective implementation of health and safety and the required delegation of duties in order to achieve the goals within this policy statement. The Assessor & ERO will ensure that as far as practicable, adequate finance and other resources are allocated to ensure the safety and health of employees and others who could be affected by our activities.

3.2 Elected Members

Elected Members are advised of the development of the Board's general health and safety policy statement. Elected Members will consider any proposals being presented to the Board and confirm the course of action they consider appropriate, having due regard for the health and safety of employees and the community at large where appropriate.

3.3 Assistant Assessor

The Assistant Assessor will lead in the promotion of a positive safe working culture by ensuring that adequate arrangements exist within the Service to enable the effective management of health and safety. The Assistant Assessor will ensure adequate funds are allocated to meet the requirements of this general corporate policy statement, including requirements for safety equipment and training etc.

Where required, the Assistant Assessor must ensure Service level health and safety policies are compiled. The requirement for Service-level policies should be determined by consideration of the work activities and the risk level within the Service. These must be signed, dated and reviewed regularly or when a significant change in work practices or arrangements for health and safety arises.

All those Line Managers reporting to Assessor or Assistant Assessor will be made aware of their responsibilities in supporting the Board's commitment to health and safety.

3.4 Managers with line management responsibility for others

Managers with line management responsibility for others will ensure that all of the health and safety requirements are in place within their areas of work. This includes the following general requirements for ensuring workplace health safety and welfare:

- all hazards are identified;
- risk assessments are completed;
- staff receive the relevant health and safety training;
- accidents and near misses are reported and investigated where required;
- first aid and fire safety measures are in place;
- health surveillance is provided for relevant staff;
- personal protective equipment is provided and maintained;
- equipment is suitably maintained;
- work areas have suitable working conditions, the required welfare facilities and safe access and egress;
- routine monitoring of health & safety within their areas of work.

3.5 Employees

Under the Health & Safety at Work etc. Act 1974, section 7 and 8, employees also have statutory responsibilities:

- to take reasonable care of their own health and safety and that of others who may be affected by their actions;
- to co-operate with their employer in meeting their legal duties;
- not to intentionally or recklessly interfere with, or misuse anything provided in the interest of health, safety or welfare.

4. ARRANGEMENTS

- 4.1 The arrangements within the Health & Safety management system contain the detail of what the Board will do in practice to achieve the aims and meet the commitments set out in this statement of general health and safety policy. For example, the risk assessment guidance includes information on how the Board will eliminate or reduce the risks associated with workplace hazards.
- 4.2 A hazard matrix will be distributed to and completed by each Team, in order to ensure the Assistant Assessor & Line Managers are aware of the relevant health and safety hazards within their areas of work and that risks are assessed and controlled as far as is reasonably practicable.

| | |
|-----------------|--|
| Signed | |
| Name | Pete Wildman |
| Position | Assessor & ERO Central Scotland Valuation Joint Board |
| Date | ***** 2016 |



AGENDA ITEM

7

INTERNAL AUDIT REPORT - POSTAL & PROXY APPLICATIONS



AGENDA ITEM 7

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: INTERNAL AUDIT REPORT - POSTAL & PROXY APPLICATIONS
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 17th JUNE 2016
Author: INTERNAL AUDIT

1. INTRODUCTION

- 1.1 The purpose of this report is to present to the Joint Board the final Internal Audit Report in relation to Register of Electors - Postal and Proxy Vote Applications.

2. BACKGROUND

- 2.1 Clackmannanshire Council's Internal Audit function provide Internal Audit services on behalf of the Assessor and the Valuation Joint Board. Within their Annual Audit Plan for 2015-16 a review of the Register of Electors - Postal and Proxy Vote Applications was scheduled.
- 2.2 This report summarises our audit findings. We have provided significant assurance. An Action Plan to address the areas for improvement has been agreed and progress against this Action Plan is monitored by Internal Audit.

3. RECOMMENDATIONS

- 3.1 The Joint Board is asked to note the contents of this report.

Iain Burns

Internal Audit and Fraud Team Leader, Clackmannanshire Council

LIST OF BACKGROUND PAPERS

1. Final Internal Audit Report – Register of Electors - Postal and Proxy Vote Applications.



INTERNAL AUDIT REPORT

Register of Electors - Postal and Proxy Vote Applications

Issued To:-

| | |
|-----------------------|--|
| Peter Wildman | Assessor / Electoral Register Officer, Central Scotland VJB |
| Russell Taylor | Depute Electoral Register Officer, Central Scotland VJB |
| Nikki Bridle | Treasurer, Central Scotland VJB |
| Brian Pirie | Clerk, Central Scotland VJB |
| Deloitte LLP | External Auditors |

| | |
|---------------------------|----------------------|
| Annual Plan | 2015/16 |
| Date Report Issued | February 2016 |

1. INTRODUCTION

1.1 This report details the findings of the Internal Audit review of the processes for the administration of the Register of Electors with Postal and Proxy Vote Applications. The scope and terms of the review were agreed in consultation with the Assessor and Electoral Registration Officer (ERO) for Central Scotland.

1.2 The electoral register records who is entitled to vote in an election or referendum. As at March 2015 the Central Scotland Valuation area has a total electorate of 222,548. A statutory timetable dictates when names are added, deleted or changed throughout the year. Individuals on the electoral register are entitled to apply to have a postal vote and the completed application will be assessed based on set criteria and thereafter relevant arrangements are put in place.

2. SCOPE AND OBJECTIVES

2.1 The scope of the audit was to assess the adequacy and effectiveness of the controls and procedures in place to ensure that the records relating to the Register of Electors and specifically records relating to Postal and Proxy Votes are accurate, are dealt with timeously and in line with Policy and Procedures. The registration of individuals on the electoral register is outwith the scope of this review.

2.2 Internal Audit, in conjunction with Senior Management, identified the key risks relating to the audit. In our opinion there is a strong control environment operating in relation to how the Central Scotland VJB mitigates the risks associated with the administration of Postal and Proxy Vote Applications. Therefore, we can provide **significant** assurance that risks are being adequately mitigated.

| Key Risk | Assurance Assessment |
|---|----------------------|
| Lack of clarity in procedures for the processing of applications and administration of the Register of Electors leading to inefficiency, failure to meet service and statutory standards, and the potential for error and fraud. | Significant |
| The information in the Register of Electors relating to absent voters is incorrect with individuals who the ERO has determined should be granted an absent vote, either being omitted and not updated correctly and therefore not being given the opportunity to vote by post or proxy. | Significant |
| Failure to implement clear and effective management information systems leading to absence of robust monitoring and challenge. | Reasonable |

3. FINDINGS

3.1 We can provide significant assurance that there are clear procedures in place for the processing of applications and the administration of the Register of Electors. The Electoral Commission has issued comprehensive guidance to assist Electoral Registration Officers (ERO) to deliver a well run electoral registration service. This includes a section on absence voters which includes the requirements for processing absent voters. The absent voter applications received by the ERO also includes requirements for the completion of applications which are compliant with the requirements of the Electoral Commission Guidance. In addition the Assessors have produced Absent Vote Applications processing guidance for responsible officers which meets the main requirements of the Electoral Guidance and the application forms.

3.2 The main requirements of the guidance, applications and processing procedures are:

- Applications date stamped upon receipt.
- Applications require signature and DOB.
- Only electors that are (or will) be registered individually entitled to absent voter status.
- Statutory timescales for the receipt of applications in order for them to be processed in forthcoming elections.
- Written acknowledgement to voter of absent voter status upon processing of application.
- Proxy voter not for more than two electors (if not close relative).

3.3 We tested a sample of 40 (out of a total of 29,446) absent voters to ensure that procedures are being followed in practice and applications are accurately processed and absent voter status reflected on the electoral register. We found that all absent voters in our sample had been accurately processed in line with procedures. We can therefore provide significant assurance that the information in the Register of Electors and Absent Vote Lists are correct and applicable individuals are being given the opportunity to vote by postal or proxy.

3.4 We can provide reasonable assurance that there are clear and effective management information systems in place leading to robust monitoring and challenge. The Assessors Absent Voters Applications Processing Procedures detail vigorous checks to ensure that applications are valid and they have been accurately scanned into the system and although our testing confirmed accurate processing of applications there was no evidence that application checks had been undertaken. (Finding 5.1)

3.5 There are numerous statistical and integrity reports available from the Electoral Register System. Reports are run in order to check the validity of information on the electoral register and to provide statistical reports for appropriate parties. The reports run relating to Absent Voters include multiple proxy / postal votes in the same property, valid date of birth recorded on the system and refresh signature reports to ensure signatures on record are less than 5 years old. We were unable to test the reports run and the extent of the checks carried out as reports produced and checks undertaken are not retained. In addition there are no procedures detailing what reports should be run and when and what checks should be undertaken. (Finding 5.2)

3.6 The contents of this report have been discussed with relevant officers to confirm factual accuracy. The co-operation and assistance we received during the course of our audit is gratefully acknowledged.

4. RECOMMENDATIONS

4.1 A summary of the recommendations raised from this audit is included in a Management Action Plan in Appendix B. Management comments, the date for implementation and Responsible Officer have been reflected within the Action Plan.

4.2 The Management Action Plan contains the following priority of recommendations. Definitions for the priority assessments are provided in Appendix B.

| Priority Assessments | Number |
|-----------------------------|---------------|
| Priority 1 | - |
| Priority 2 | - |
| Priority 3 | 2 |
| Priority 4 | - |

| Assurance | Definitions |
|-----------------------|---|
| Significant Assurance | There is an adequate and effective system of risk management, control and governance to address risks to the achievement of objectives. Some improvements in a few, relatively minor, areas may be required. |
| Reasonable Assurance | Business objectives are likely to be achieved. However, improvements are required to enhance the adequacy/ effectiveness of risk management, control and governance. |
| Limited Assurance | There is considerable risk that the system will fail to meet its objectives. Significant improvements are required to improve the adequacy and effectiveness of risk management, control and governance. |
| No Assurance | The systems for risk, control, and governance are ineffectively designed and operated. Objectives are not being achieved and the risk of serious error or abuse is unacceptable. Significant improvements are required. |

The priorities relating to Internal Audit recommendations are defined as follows:

Priority 1 recommendations are significant matters relating to factors critical to the success of the organisation. The weakness may also give rise to material loss or error or seriously impact on the reputation of the organisation and require urgent attention.

Priority 2 recommendations relate to important issues and may also give rise to material financial loss or error.

Priority 3 recommendations are usually matters that can be corrected through line management action or improvements to the efficiency and effectiveness of controls.

Priority 4 recommendations these are recommendations that improve the efficiency and effectiveness of controls. The weaknesses highlighted do not affect the ability of the controls to meet their objectives in any significant way.

MANAGEMENT ACTION PLAN

| Ref | Finding | Risk | Priority | Agreed Management Action | Responsible Officer | Target Date |
|-----|---|--|----------|---|------------------------------------|-------------|
| 5.1 | Rigorous application checks are detailed in the Absent Voter Application Processing Procedures but evidence that these checks have been carried out is not being documented and retained. | Unable to demonstrate that a responsible officer has carried out the application checks detailed in the procedures. | 3 | Maintain records of when read in of records completed. Record on batch control sheets who scanned and checked with dates | Depute ERO & Senior Admin Officers | 5/5/16 |
| 5.2 | There are no procedures relating to reports run for statistical purposes or integrity reports produced in the run up to elections in order to check the integrity of the information in the register. In addition the reports that are produced and any resultant action undertaken is not being evidenced and retained. | Statistical and integrity reports not produced and actioned resulting in not meeting statutory obligations and the potential for inaccurate information on the electoral register. | 3 | Store reports and record when run and checked | Depute ERO & Senior Admin Officers | 5/5/16 |

The background of the page features a large, faint, light blue outline of the City of Vancouver coat of arms. The crest includes a crown at the top with four maple leaves, a shield divided into four quadrants (top-left: saltire, top-right: anchor, bottom-left: sailing ship, bottom-right: eagle), and a banner at the bottom with the motto 'CITY OF VANCOUVER'.

AGENDA ITEM

8

INTERNAL AUDIT ANNUAL REPORT



AGENDA ITEM 8

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: INTERNAL AUDIT ANNUAL REPORT
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 17th JUNE 2016
Author: INTERNAL AUDIT

1. INTRODUCTION

- 1.1 The purpose of this report is to present to the Joint Board the annual Internal Audit opinion on the Board's internal control environment.

2. BACKGROUND

- 2.1 Clackmannanshire Council's Internal Audit function provide Internal Audit services on behalf of the Assessor and the Valuation Joint Board.
- 2.2 An annual opinion is required by Performance Standard 2450 of the Public Sector Internal Audit Standards (PSIAS). In line with best practice the report will be used by the Board to inform its Annual Governance Statement.

3. RECOMMENDATIONS

- 3.1 The Joint Board is asked to note the contents of this report.

Iain Burns

Internal Audit and Fraud Team Leader, Clackmannanshire Council

LIST OF BACKGROUND PAPERS

1. Internal Audit Annual Report



INTERNAL AUDIT

ANNUAL REPORT

APRIL 2015 TO MARCH 2016

| INDEX | Page |
|------------------------|-------------|
| 1. INTRODUCTION | 2 |
| 2. AUDIT OPINION | 3 |
| 3. OVERVIEW OF 2013/14 | 4 |
| 4. QUALITY ASSURANCE | 4 |

1. INTRODUCTION

- 1.1 The purpose of this report is to provide an independent assurance statement on the effectiveness of the financial and non financial internal controls operating within Central Scotland Valuation Joint Board in the period April 2015 to March 2016.
- 1.2 Clackmannanshire Council's Internal Audit function provide Internal Audit services on behalf of the Assessor and the Valuation Joint Board. The provision of an Annual Report by the Internal Audit and Fraud Team Leader is required by Performance Standard 2450 of the Public Sector Internal Audit Standards (PSIAS).
- 1.3 It is the responsibility of senior management to establish an appropriate and sound system of internal control and to monitor the continuing effectiveness of that system. PSIAS requires that the annual internal audit opinion must conclude on the overall effectiveness of the organisation's framework of governance, risk management and control in a report that incorporates;
- The opinion;
 - A summary of the work that supports the opinion; and
 - A statement on conformance with the PSIAS and the results of the quality assurance and improvement programme.
- 1.4 This report has been prepared in line with the above requirements.

2. AUDIT OPINION

- 2.1 To form an opinion on the Board's control environment, Internal Audit prepares an Annual Plan which incorporates the audits to be completed during the financial year. The audits in this plan are selected with a view to determining whether the risks facing the key corporate and service objectives are being adequately managed and financial and non financial controls are operating.

Basis of Assurance

- 2.2 In forming my opinion on the Board's control environment, I have relied on different sources, including:
- The audit work undertaken by the Internal Audit and Fraud Team during the year to 31 March 2016,
 - Progress made by management in the implementation of Internal Audit recommendations,
 - Reports issued by the Board's external auditors, Deloitte LLP and other review agencies,
 - The Annual Governance Statement assurance process.
- 2.5 On this basis I am able to provide **significant** assurance upon the adequacy and effectiveness of Central Scotland Valuation Joint Board's framework of governance, risk management and control in the year to 31 March 2016.

Iain Burns

17 June 2016

**Internal Audit and Fraud Team
Leader,
Clackmannanshire Council**

Date

3. OVERVIEW OF 2015-16

- 3.1 Internal Audit and Fraud's Annual Plan for 2015/16 comprised 1 assurance audit (Register of Electors - Postal and Proxy Vote Applications) together with time allocated for follow up work and input into the Annual Governance Statement (AGS) assurance process for the 2015/16 accounts. A total of 4 weeks were included within the Annual Plan.

Assurance

- 3.2 Within the Annual Audit Plan for 2015-16 a review of the Register of Electors - Postal and Proxy Vote Applications was scheduled. The scope of the audit was to assess the adequacy and effectiveness of the controls and procedures in place to ensure that the records relating to the Register of Electors and specifically records relating to Postal and Proxy Votes are accurate, are dealt with timeously and in line with Policy and Procedures.
- 3.3 Internal Audit provided a significant level of assurance. In our opinion there is a strong control environment operating in relation to how the Central Scotland VJB mitigates the risks associated with the administration of Postal and Proxy Vote Applications. Two relatively minor issues were raised in the report. An Action Plan to address the areas for improvement has been agreed and progress against this Action Plan will be monitored by Internal Audit.

Governance

- 3.4 The Internal Audit and Fraud Team have contributed to the Annual Governance Statement assurance process through reviewing Governance arrangements. This included reviewing and challenging evidence provided by the Board in support of the assurance statements.

4. QUALITY ASSURANCE

- 4.1 All Local Authority Internal Audit teams are required to operate in accordance with the Public Sector Internal Audit Standards (PSIAS). The PSIAS formalise standards to be achieved in relation to, for example, independence, staffing and training, audit strategy and planning, reporting and performance and quality and effectiveness.

- 4.2 The Internal Audit Team undertook a self assessment against the PSIAS during 2014/15 with the aim of identifying development work required. A Quality Improvement Plan has been prepared which identifies a number of areas for improvement. This has resulted in a re-drafting of the Internal Audit Charter for inclusion in financial regulations and an updating of the internal audit manual. The team have also prepared a Customer Service Questionnaire that will be issued to clients following audit reviews carried out under the 2016/17 plan and beyond..
- 4.3 Further development work is also planned around annual plan administration, review and update of working papers and a review of the assignment planning process to ensure that fieldwork is properly targeted around significant risks.



AGENDA ITEM

9

INTERNAL AUDIT ANNUAL PLAN 2016-17



AGENDA ITEM 9

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: INTERNAL AUDIT ANNUAL PLAN 2016-17
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 17th June 2016
Author: Iain Burns, CLACKMANNANSHIRE COUNCIL

1. INTRODUCTION

- 1.1 The purpose of this report is to present the Annual Internal Audit Plan for 2016-17 on the Valuation Joint Board's internal control environment.

2. BACKGROUND

- 2.1 Clackmannanshire Council's Internal Audit and Fraud Team provide Internal Audit services on behalf of the Assessor and the Valuation Joint Board.
- 2.2 In undertaking the reviews included within the Annual Plan, the Internal Audit and Fraud Team will be able to form and provide an objective opinion on the Valuation Joint Board's control environment

3. RECOMMENDATIONS

- 3.1 The Joint Board is asked to approve the Annual Internal Audit Plan for 2016-17.

Iain Burns

Internal Audit and Fraud Team Leader, Clackmannanshire Council

LIST OF BACKGROUND PAPERS

1. Annual Internal Audit Plan 2016-17

Central Scotland Valuation Joint Board
Internal Audit Annual Plan 2016-17

Appendix A

| Audit Area | Valuation Joint Board | Weeks | Risk | Quarter | Scope |
|--|------------------------------|--------------|-------------|----------------|--|
| Annual Assurance Report | Valuation Joint Board | 1 | L | Q4 | This includes preparing an annual report for the Committee and input into the Annual Governance Statement (AGS) assurance process for the 2016-17 accounts. |
| Register of Electors- Overseas Voters | Valuation Joint Board | 1 | M | Q4 | This will review the adequacy and effectiveness of the controls and procedures in place over the processing of applications to be registered as overseas voters. |
| Procurement | Valuation Joint Board | 2 | M | Q2 | To review compliance with Contract Standing Orders. |
| Total Time Allocated to VJB Annual Plan | | 4 | | | |



AGENDA ITEM

10

BEST VALUE REPORT 2016



AGENDA ITEM 10

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: BEST VALUE REPORT 2016
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 17th JUNE 2016
Author: JANE WANDLESS, ASSISTANT ASSESSOR

1. INTRODUCTION

- 1.1 Reports on performance have been submitted to the Central Scotland Valuation Joint Board on a regular basis since 2000. This report covers the financial year 2015/2016, and shows performance levels on Assessor's work completed between 1st April 2015 and 31st March 2016. The Report follows the same format as previous years and the figures for the past three years are shown.

2. KEY PERFORMANCE INDICATORS

- 2.1 A key part of Best Value is measuring and monitoring performance. A report detailing the performance indicators was submitted to Central Scotland Valuation Joint Board on 6th October 2000. These indicators were agreed with the Scottish Government and the Accounts Commission.

2.2 Targets Set – Valuation Roll (Non Domestic) Amending the Roll

| Amendments to the Valuation Roll as a % of all changes | | | |
|---|---------|---------|---------|
| Year | 2013/14 | 2014/15 | 2015/16 |
| In less than 3 months | 82% | 82% | 82% |
| In less than 6 months | 93% | 93% | 93% |
| In more than 6 months | 7% | 7% | 7% |

2.3 Performance Achieved

Total No. of Entries as at 31 March 2016 - 11,416

Amended Entries 909

| Changes Made | Achieved 2013/2014 | Achieved 2014/2015 | Achieved 2015/2016 |
|-----------------------|-------------------------------|-------------------------------|-------------------------------|
| In less than 3 months | 76% | 81% | 74% |
| In less than 6 months | 90% | 89% | 90% |
| More than 6 months | 10% | 11% | 10% |

The target for changes in less than 3 months was missed by a margin of 8% and the target for changes in less than 6 months was missed by a margin of 3%. Whilst these figures are disappointing this was due in the main to the investigation and inclusion of a number of new entries in respect of stable and self-catering accommodation together with the ongoing work in respect of the 2017 Rating Revaluation. The large number of trainees with no previous experience of a Revaluation has also added to the workload of experienced staff.

The key performance indicator for Council Tax is a measure of how long it takes for a new house to enter the Valuation List. It is in the taxpayer's interest that the property appears in the List as soon as possible after completion to avoid a backdated bill. It is in the Councils' interest to collect the tax as soon as possible. The number of dwellings in the List at 31 March 2016 was 138,585. In addition there are approximately 5000 domestic garages and stores that appear in the list but these are exempt from Council Tax payment.

2.5 Targets Set – Council Tax

New Entries:

| New Entries on the Valuation List as a % of all new entries | | | |
|--|---------|---------|---------|
| Year | 2013/14 | 2014/15 | 2015/16 |
| In less than 3 months | 97% | 97% | 97% |
| In less than 6 months | 99% | 99% | 99% |
| In more than 6 months | 1% | 1% | 1% |

2.6 Performance Achieved

Total new entries 2014/2015: 1139

| New Entries on the Valuation List as a % of all new entries | | | |
|--|---------------------|---------------------|---------------------|
| Year | Achieved 2013/14 | Achieved 2014/15 | Achieved 2015/16 |
| In less than 3 months | 96% | 97% | 97% |
| In less than 6 months | 100% | 99% | 99% |
| In more than 6 months | - | 1% | 1% |

Working on maintaining the Council Tax List has a high priority throughout the year. It is particularly important for the Electoral Registration function that all new properties are added to the Valuation List as quickly as possible. This ensures that forms asking people to register to vote are issued promptly and all domestic properties are included in the annual canvass. If the Valuation List is up to date it will help to ensure that the Electoral Register is also up to date.

It is pleasing that such a high standard has again been achieved with 97% of all new houses in the List within three months.

2.7 Targets for 2016/17

Valuation Roll – Target 2016/17

| Amendments to the Valuation Roll as % of all changes | | |
|---|---------|---------|
| Year | 2015/16 | 2016/17 |
| In less than 3 months | 82% | 75% |
| In less than 6 months | 93% | 90% |
| In more than 6 months | 7% | 10% |

Valuation List – Target 2016/17

| Amendments to the Valuation Roll as % of all changes | |
|---|---------|
| Year | 2015/16 |
| In less than 3 months | 97% |
| In less than 6 months | 99% |
| In more than 6 months | 1% |

In respect of Valuation Roll it is proposed that targets are amended to reflect the continuing significant additional workload resulting from the 2017 Revaluation together with the limited number of qualified and experienced Valuation staff. These targets also have regard to actual performance since 2013/14. It is anticipated, assuming current staffing levels, that as Valuation staff qualify and the 2017 Revaluation work is concluded performance levels will improve.

In respect of Valuation List it is proposed that targets for this year remain unchanged, the focus for 2016/2017 will be to consolidate and strive to achieve the high standard of performance achieved in previous years.

3. **PUBLIC PERFORMANCE REPORTING**

The Public Performance Report is published on the Assessors' Portal (www.saa.gov.uk), it is also available from our office.

4. SUMMARY

- 4.1 The Best Value regime has allowed the Assessor for Central Scotland to formally measure performance against indicators agreed with the Scottish Executive and Audit Scotland. The aim is to monitor and constantly improve our performance where feasible. The targets set for the non domestic Valuation Roll in 2016/17 have been adjusted to reflect the increased workload of the Revaluation, the reduced number of experienced staff and the inclusion in the Valuation Roll of Shootings with effect from 2017. Shootings were previously removed from the Valuation Roll with effect from 31st March 1995..
- 4.2 In relation to domestic properties you should also note that the targets had not been increased 2006/07 to 2010/11, but were increased in 2011/12 and 2013/14. The targets for 2016/17 have therefore remained constant and we will aim to meet them.
- 4.3 Since the inception of the Best Value the Assessor's employees have embraced the scheme and have generally demonstrated consistent improvement. Performance in relation to targets set has been high, and the organisation has generally met or exceeded these targets. This has been achieved through hard work by many people and we will continue to strive to maintain these high standards.

5.0 RECOMMENDATIONS

It is recommended that the Valuation Joint Board note the continuing commitment to Best Value.

.....
Assistant Assessor



AGENDA ITEM

11

ALCOHOL AND DRUGS MISUSE POLICY & PROCEDURE

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AGENDA ITEM 11

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: ALCOHOL AND DRUGS MISUSE POLICY & PROCEDURE
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 17th JUNE, 2016
Author: JANE WANDLESS, ASSISTANT ASSESSOR

1.0 INTRODUCTION

Central Scotland Valuation Joint Board (CSVJB) is committed to ensuring the provision of a safe and healthy working environment. To support this CSVJB will act as far as is reasonably possible, to prevent the misuse of alcohol and drugs. Under the Health and Safety at Work etc. Act 1974, CSVJB has a duty to ensure, so far as is reasonably practicable, the health, safety and welfare of staff. This includes making appropriate provisions to ensure that staff who are known to be misusing substances do not affect the safety of themselves and others whilst at work. The aim of the Alcohol and Drugs Misuse Policy and associated procedure is to inform staff and ensure that those responsible for managing and supporting employees are aware of their responsibilities.

2.0 BACKGROUND

This Policy and associated Procedure was considered by the Staff Consultation Forum on the 4th February, 2016.

3.0 ALCOHOL AND DRUGS MISUSE POLICY & PROCEDURE

A copy of the proposed Alcohol and Drugs Misuse Policy and Procedure are attached as Appendix 1 of this report.

4.0 RECOMMENDATION

I ask that the Board approves the new 'Alcohol and Drugs Misuse Policy and Procedure'.

.....
Assistant Assessor

Appendix 1 – Alcohol and Drugs Misuse Policy and Procedure

ALCOHOL AND DRUGS MISUSE POLICY & PROCEDURE

Date: January 2016

Version: Draft1

ALCOHOL AND DRUGS MISUSE

1. Introduction

- 1.1. Central Scotland Valuation Joint Board (CSVJB) is committed to ensuring the provision of a safe and healthy working environment and to support this, CSVJB will act as far as is reasonably possible, to prevent the misuse of alcohol and drugs.
- 1.2. Under the Health and Safety at Work etc. Act 1974, CSVJB has a duty to ensure, so far as is reasonably practicable, the health, safety and welfare of staff,. This includes making appropriate provisions to ensure that staff who are known to be misusing substances do not affect the safety of themselves and others whilst at work.
- 1.3. Under the Management of Health and Safety at Work Relations, 1992 CSVJB has the responsibility to assess the risks to the Health and Safety of its employees. If CSVJB knowingly allows an employee under the influence of drug misuse to continue working and his or her behaviour places the employee or others at risk, they could be prosecuted. Our employees are also required to take reasonable care of themselves and others who could be affected by what they do at work.
- 1.4. Under the Transport and Works Act 1992, it is a criminal offence for certain workers to be unfit as a result of taking drugs and/or drinking alcohol while working.
- 1.5. CSVJB's Alcohol and Drugs Misuse policy and procedure sets out CSVJB's arrangements with respect to any member of staff or contractor where accomplishment of their duties is, or may be, impaired as a result of drinking alcohol or taking drugs.
- 1.6. These arrangements aim to:
 - make clear CSVJB's position on the use/misuse of alcohol/drugs;
 - Promote a supportive, recovery focussed environment where staff feel they are able to come forward for support;
 - promote the health and well-being of employees and to minimise problems at work arising from the effects of alcohol and/or or drugs;

- assist in the identification of employees with possible problems relating to the effects of alcohol and /or drugs at an early stage in order to provide support as required;
- assist those with an alcohol and/or drugs problem to seek appropriate support to avoid the detrimental effects on health, work performance or conduct;
- offer employees known to have alcohol or drug-related problems referral to an appropriate source for diagnosis and treatment if necessary.
- offer support to staff who may be experiencing difficulties as a result of a family members or partners misuse of alcohol and/or drugs.

1.7. In addition CSVJB will, in consultation with the Staff Consultation Forum (SCF):

- advise existing employees and new employees of the risks to health arising from the effects of alcohol or drugs;
- encourage employees who may have alcohol and/or drug-related problems to take advantage of the range of recovery focussed support available locally;
- enable supervisors and managers to identify support needs for employees who have advised they or a family member have an alcohol and/or drugs problem.
- in cases where alcohol and /or drugs problems are identified provide encouragement to staff to agree upon a programme of support in consultation with the occupational health advisor.

2. Policy Statement

- 2.1. CSVJB will take reasonable steps to raise employee awareness of the impact of alcohol and drug misuse and will remain committed to meeting its statutory obligations in relation to Health and Safety at Work
- 2.2. CSVJB recognises that dependency upon alcohol or drugs should be treated sympathetically, fairly and confidentially.
- 2.3. CSVJB does require that no employee or contractor will:

- Report or endeavour to report for duty under the influence of alcohol or drugs
- consume alcohol or drugs and behave in a manner contrary to the standards of safety and conduct of CSVJB

2.4. Any breach of these requirements will be dealt with in line with CSVJB's Disciplinary procedures.

3. Alcohol Misuse

- 3.1. CSVJB requires employees and contractors to arrive at work free from the effects of alcohol, and remain so for the duration of their working hours.
- 3.2. CSVJB considers it unacceptable for a member of staff or contractor to be (or appear to be) unfit for work through the misuse of alcohol. Any member of staff or contractor who, in CSVJB's opinion, is unfit to work due to the effects of alcohol will be sent home.
- 3.3. Arrangement will be made for the staff member to be taken home safely where required outlining that they should attend a meeting the next day at which they can be accompanied by a Staff Consultation Forum representative or work colleague. A representative from Clackmannanshire Council HR should where possible also be in attendance.
- 3.4. No alcohol is permitted to be consumed during working hours. This includes tea breaks and lunch breaks. The only exception being occasional functions where prior approval has been given by the Assessor or Assistant Assessor. Staff who fail to observe the provisions of this policy may be subject to CSVJB's disciplinary procedures.

4. Drugs Misuse

- 4.1. The misuse of drugs (as defined under the Misuse of Drugs Act 1971) includes the use of any illegal drugs and the misuse of any prescribed drugs, over the counter medication, solvents, all synthetic and herbal products known as New Psychoactive Substances or other substances including "legal highs".

- 4.2. Employees and contractors must not attend for work whilst under the influence of any drugs/substance, which have not been medically prescribed.
- 4.3. Any member of staff or contractor who, in CSVJB's opinion, is unfit for work due to drugs/substance/prescription drug misuse will be sent home.
- 4.4. Under the Misuse of Drugs Act, CSVJB may commit an offence if it is aware that illegal drugs are being used or distributed on its premises. CSVJB therefore has an obligation to inform Police Scotland in such instances.
- 4.5. It is a criminal offence to possess or deal in any illegal substances. Any member of staff proven to have done so on CSVJB premises may be summarily dismissed for gross misconduct.

5. Medically Prescribed or Pharmacy Advised Medication

- 5.1. All employees must be made fully aware that:
 - If they consult their medical practitioner or a pharmacist and some form of medication is prescribed they must advise the medical practitioner or pharmacist of the nature of their work so that appropriate information on possible side effects and their effect of safety and efficiency at work may be given.
 - If they are in doubt as to their fitness to carry out their duties while on medication, they must consult their Line Manager, who should obtain advice from Clackmannanshire Council Human Resources.
 - If taking prescribed medication they should consider informing the relevant first aider in order to ensure appropriate action is taken during an emergency.

6. Monitoring and Review

6.1. Both Senior Management and Staff Consultation Forum representatives shall monitor the effectiveness of these procedures on an ongoing basis.

| | |
|--|---|
| Policy Name | Alcohol and Drugs Misuse |
| | |
| Policy Lead | Jane Wandless |
| Equality Impact Assessment | |
| Full EQIA required | Yes <input type="checkbox"/> No* <input checked="" type="checkbox"/> |
| * This policy outlines the measures and support in place for employees who may have an alcohol or drugs problem. The measures are applicable to all members of staff | |
| Date Full EQIA complete | N/A |
| Date Approved | |
| Review Date | |

Appendix 1- Alcohol Misuse

A quarter of employees in any large workforce typically drink above NHS guidelines, while a third of employees admit being at work with a hangover from the night before, impacting productivity and safety.

For every one person who misuses drugs or alcohol, it is estimated that 3 people are affected.

Attitudes to alcohol in Scotland - from Scottish Social Attitudes Survey 2013

- 84% of Scots thought alcohol causes either a 'great deal' or 'quite a lot of harm in Scotland'.
- Most people disapprove of excessive drinking - only 19% thought that 'getting drunk is a perfectly acceptable thing to do on weekends'.
- Over four in ten (44%) non-drinkers perceived that others think they are odd for not drinking.
- Around half of Scots did not know the number of units in a pint of beer, measure of spirits or a glass of wine.
- 42% of men and 43% of women correctly identified the recommended daily consumption limits for their gender.

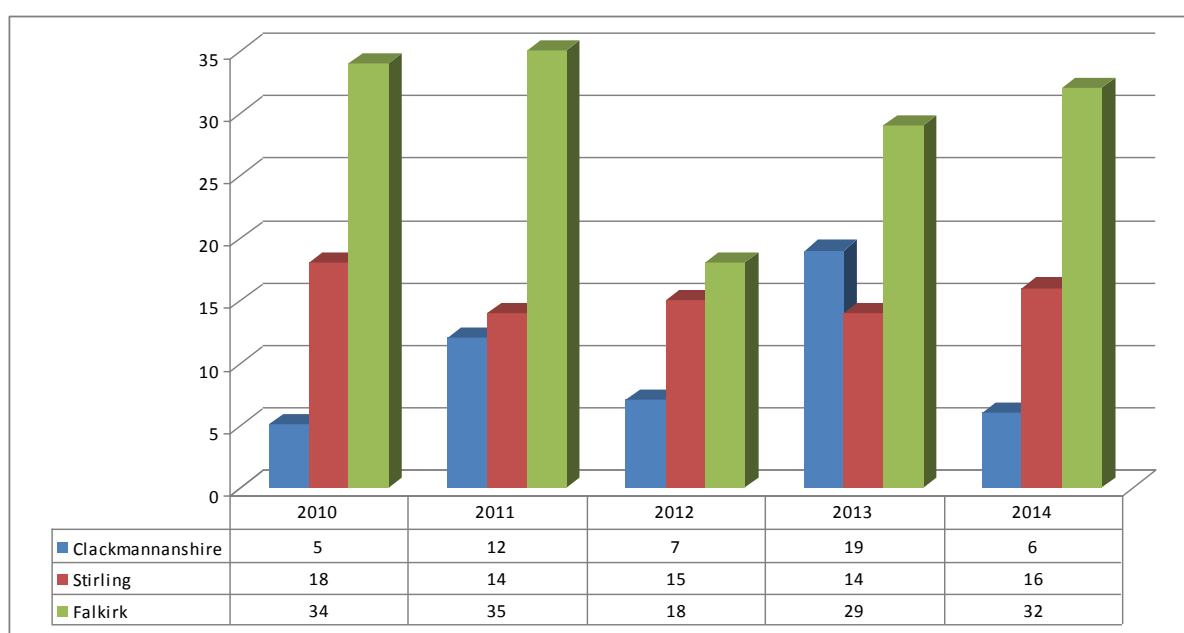
Alcohol consumption in Scotland - from Scottish Health Survey 2014

- Nearly 1 in 4 men (23%) and around 1 in 6 (17%) women drink at harmful or hazardous levels (defined as men drinking more than 21 units per week and women drinking more than 14 units per week).
- Men drink an average of 13.6 units of alcohol a week, and women drink an average of 7.4 units a week.
- 18% of women and 14% of men don't drink alcohol.

Alcohol-related deaths in Scotland - from National Records of Scotland

- There were 1,152 alcohol-related deaths in 2014 (where alcohol was the underlying cause of death).
- 784 of those deaths were men, 368 were women.
- Of the 1,152 alcohol-related deaths in 2014 6 were within the Clackmannanshire Council area.
- Table 1 below shows the trends in alcohol related deaths in Clackmannanshire, Stirling and Falkirk since 2010.

Table 1: Alcohol related deaths



- Over the years since 1979, there have been roughly twice as many male deaths as female deaths.
- 482 deaths were people aged 45-59, 395 deaths in the 60-74 age group, 146 deaths in the 30-44 age group, and smaller numbers for other age groups.
- The 45-59 age group has had the largest number of alcohol-related deaths in almost every year since 1979.
- Although alcohol-related deaths have declined in recent years, rates remain higher than they were in the early 1980s and higher than those in England and Wales (from MESAS 4th annual report).

Alcohol-related hospital stays in Scotland - from Alcohol-related Hospital Statistics Scotland 2013-14

- There were 36,206 alcohol-related hospital stays in 2013/14.
- 92% resulted from an emergency admission.
- 71% of alcohol-related stays were men.
- Rates were highest in the 55-59 age group for men and 50-54 age group for women.
- Rates were over 7 times higher for people living in the most deprived areas compared with the least deprived.
- Sunday is the busiest day for emergency admissions (5,305), although the number is relatively similar across all days.
- Saturdays and Sundays are the busiest days for admissions of patients aged 15-19.

Alcohol-related GP consultations in Scotland - from ScotPHO

- There were an estimated 94,630 alcohol-related primary care consultations by 48,420 patients in 2012/13.
- Consultation rates were highest for those aged 65 and over.

Alcohol-related crime in Scotland - from Scottish Crime and Justice Survey 2012/13

- In 6 out of 10 cases (59%) of violent crime, the victim said the offender was under the influence of alcohol.
- In the past 10 years, half of those accused of murder were under the influence of alcohol and/or drugs at the time of the murder.
- Two thirds of young offenders were drunk at the time of their offence (from Scottish Prisoner Survey 2013).

Cost of alcohol harm - from The Societal Cost of Alcohol Misuse in Scotland for 2007

- Alcohol harm costs Scotland £3.6 billion a year in health, social care, crime, productive capacity and wider costs.
- Alcohol costs Scottish employers £308 million a year (employee absenteeism and presenteeism).

- Alcohol costs every local authority area in Scotland millions of pounds a year - see our local alcohol cost profiles in the Resources section.

Appendix 2- Guidance for Managers

Identifying Alcohol or Drugs misuse

Managers/Supervisors should be aware that the misuse of alcohol or drugs may manifest itself in many ways. Such characteristics, especially when arising in combination, MAY, indicate the presence of an alcohol or drug related problem. Signs could include:

- Incidents of unauthorised leave
- Frequent Friday and/or Monday absence
- Leaving work early
- Lateness
- Excessive levels of sickness absence
- High accident levels
- Difficulty concentrating
- Work requires increased effort
- Problems with remembering instructions
- Irritability or aggression
- Depression
- A deterioration in relationships with colleagues, clients or management
- Dishonesty and theft
- Unkempt appearance
- Smell of alcohol
- Unexplained dips in productivity

As a manager/supervisor there are a number of steps you can take if you feel there is a problem related to misuse of alcohol or drugs:

Dealing with staff who have advised they have an alcohol or drug problem

Where a member of staff has acknowledged that they have an alcohol or drug problem and wish assistance a confidential meeting should be arranged with their line manager, the member of staff, their representative and Clackmannanshire Council HR Adviser.

The line manager in conjunction with Clackmannanshire Council HR should arrange referral to Occupational Health. Thereafter referral may, via the Occupational Health or the staff members GP, be made to specialist addiction services

Where it is identified that there is an issue related to alcohol or drugs then a suitable programme of help and treatment should be sourced by the employee with support from Occupational Health and or their GP

Agreement should be reached with the member of staff regarding absence from work on a paid or unpaid basis as appropriate to attend any support programmes.

Referral will not affect the staff member's job unless they are unfit to fulfill the duties. Where appropriate reasonable short term adjustments may be made to the duties of the member of staff.

Where an employee having received treatment suffers a relapse, CSVJB will consider the case on its individual merits. Further medical advice will be sought from Occupational Health in an attempt to ascertain how much more treatment/rehabilitation time is required for a recovery.

Where having received treatment and recovery seems unlikely CSVJB may be unable to support the employee and disciplinary action which may result in dismissal may take place.

Dealing with staff who have advised a member of their family or partner have an alcohol or drug problem

Where a member of staff has advised a member of their family or their partner has an alcohol or drug problem a confidential meeting should be arranged with their line manager, the member of staff, their representative and Clackmannanshire Council HR Adviser.

The line manager in conjunction with Clackmannanshire Council HR should identify what support can be put in place and where appropriate arrange referral to Occupational Health.

The staff member will be provided with details of appropriate support agencies who may be able to provide further support and guidance.

Dealing with staff who attend work under the influence of alcohol or drugs

Ensure there are no immediate safety concerns i.e. review the staff member's' role in order to assess immediate risk. Are they expected to operate machinery, drive vehicles for work purposes etc. Restrict access where required to any hazardous materials or substances.

Make arrangements for the staff member to be taken home safely where required outlining that they should attend a meeting the next day at which they can be accompanied by a union representative or work colleague. Clackmannanshire Council HR should where possible also be in attendance.

The line manager in conjunction with Clackmannanshire Council HR should arrange referral to Occupational Health.

Where it is agreed that there is an issue related to alcohol or drugs then a suitable programme of help and support should be sourced by the employee with support from Occupational Health and/or their GP.

At the scheduled meeting be supportive but be clear about CSVJB rules and the implications of not tackling possible alcohol misuse, especially where safety is an issue.

Depending on the outcome of the meeting there may be a requirement to invoke CSVJB's disciplinary procedures.

Disciplinary action should only be used as a last resort if issues related to alcohol or drugs misuse are identified.

CSVJB may agree to suspend disciplinary action in cases of misconduct if the employee agrees to follow a suitable course of intervention.

Serious or repeated infringement of the policy may be interpreted as gross misconduct and may result in dismissal.

Appendix 3 - Guidance/Information

HSE Publications:

The following are available from: www.hsebooks.com.

- INDG91(L) Drug Misuse at Work — A Guide for Employers
- INDG240 Don't Mix It: A Guide to Employers on Alcohol at Work

Alcohol Concern

alcoholconcern.org.uk

Alcohol Focus Scotland

alcohol-focus-scotland.org.uk/

Know the Score

knowthescore.info

Scottish Drugs Forum

sdf.org.uk

Forth Valley Substance Misuse Service

01786 434165