



Orkney and Shetland Valuation Joint Board



Item: 6

Orkney and Shetland Valuation Joint Board: 24 June 2025.

Internal Audit – Workforce Planning.

Report by Chief Internal Auditor.

1. Overview

- 1.1. The internal audit plan 2024/25 included a review of Workforce Planning. This audit has been completed and the internal audit report is attached as Appendix 1 to this report.
- 1.2. Effective workforce planning helps to ensure resource availability to meet strategic goals and future needs and reduces risks associated with understaffing.
- 1.3. The objective of this audit was to obtain reasonable assurance that the controls and processes around workforce planning are operating effectively.
- 1.4. The audit provides substantial assurance that the workforce planning arrangements are well controlled and managed.
- 1.5. The internal audit report, attached as Appendix 1 to this report, includes three low priority recommendations regarding demand forecasting, goal setting and considerations for the next iteration of the workforce plan. There are no medium or high-level recommendations made as a result of this audit.

2. Recommendations

- 2.1. It is recommended that members of the Board:
 - i. Scrutinise the findings of the internal audit reviewing the controls and processes in place around workforce planning, attached as Appendix 1 to this report, in order to obtain assurance that action has been taken or agreed where necessary.

For Further Information please contact:

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Implications of Report

1. **Financial** – Not applicable.
2. **Corporate Governance** – Not applicable.
3. **Human Resources** – Not applicable.
4. **Equalities** – Not applicable.
5. **Island Communities Impact** – Not applicable.
6. **Environmental and Climate Risk** – Not applicable.
7. **Risk** – Not applicable.
8. **Procurement** – Not applicable.
9. **Health and Safety** – Not applicable.

List of Background Papers

Orkney and Shetland Valuation Joint Board – Internal Audit Plan 2024/25.

Appendix

Internal Audit of Workforce Planning.



Orkney & Shetland Valuation Joint Board



Internal Audit

Audit Report

O&SVJB Workforce Planning

Draft issue date: 14 May 2025

Final issue date: 28 May 2025

| | |
|--------------------|------------------|
| Distribution list: | O&SVJB Assessor |
| | O&SVJB Treasurer |
| | O&SVJB Clerk |

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Audit Opinion

Based on our findings in this review we have given the following audit opinion.

Substantial

The framework of governance, risk management and control were found to be comprehensive and effective.

A key to our audit opinions and level of recommendations is shown at the end of this report.

Executive Summary

Following an External Audit recommendation in 2019, The Orkney and Shetland Valuation Joint Board (the Board) has put in place a Workforce Plan. This audit reviewed the current workforce plan for the period 2024 to 2027, together with the wider processes around workforce planning.

Our audit found the following:

- The Workforce Plan (WFP) was approved by the Board and is in line with the business objectives of the O&SVJB.
- The WFP identifies the structure of staffing and where vacancies exist.
- The WFP considers the age profile, development and diversity of staff and a number of other areas including flexible working, employee wellbeing, recruitment and retention and succession planning.
- Issues arising in respect of the workforce are monitored by the Assessor, will form part of future Senior Management Meetings, and are regularly reported to the Board by way of the Best Value Progress report.

The report includes 3 recommendation which have arisen from the audit. The number and priority of the recommendations are set out in the table below. The priority headings assist management in assessing the significance of the issues raised.

Responsible officers will be required to provide an update on progress with the agreed actions.

| Total | High | Medium | Low |
|-------|------|--------|-----|
| 3 | 0 | 0 | 3 |

The assistance provided by officers contacted during this audit is gratefully acknowledged.

Introduction

The Orkney and Shetland Valuation Joint Board (the Board) was established in 1996, under The Valuation Joint Boards (Scotland) Order 1995, and its primary purpose is to discharge all the functions of its two constituent authorities, Orkney Islands Council (OIC) and Shetland Islands Council (SIC) as valuation authorities under the Valuation Acts.

The Board is responsible for appointing the Assessor for Orkney and Shetland, an independent statutory official responsible for the preparation and maintenance of the Valuation Roll and the Council Tax Valuation List. The Assessor has also been appointed as Electoral Registration Officer for both Orkney and Shetland and is, therefore, also responsible for the preparation and maintenance of the Register of Electors or Electoral Roll.

Effective workforce planning helps to ensure resource availability to meet strategic goals and future needs and reduces risks associated with understaffing.

The objective of the audit was to obtain reasonable assurance that the controls and processes around workforce planning are operating effectively. The audit work focussed on the period from 1 April 2024 to 31 March 2025.

This review was conducted in conformance with the Global Internal Audit Standards in the UK Public Sector.

Audit Scope

The scope of this audit included but was not limited to:

- The setting and approval of the workforce plan.
- Monitoring resource demand.
- The quality and availability of information available to management.
- Reporting on progress in respect of the workforce plan.

Audit Findings

1.0 Background

- 1.1 The development of a Workforce Plan (WFP) by the Board was a recommendation coming from the Report to the Members of the Board and the Controller of Audit on the 2018/19 audit, with an initial target date of 31 March 2020, which was subsequently revised post COVID-19 to 30 June 2021. The Workforce Plan 2021 - 2024 was approved by the Board on 30 September 2021.
- 1.2 A revised Workforce Plan for the period 2024-2027 was approved by the Board on 26 September 2024. With the exception of the introduction of a section in respect of Employee Wellbeing, the revised WFP had few changes from the original, but was rather a review and refresh of the prior plan.
- 1.3 It is intended that the WFP will be reviewed and updated every three years.

2.0 Structure and Context of the Workforce Plan

- 2.1 A review of the WFP showed that the plan is aligned with business objectives set out in both the Board's Corporate Plan 2023-2026, and the Service Plan 2023 – 2026. There are some aspects of the Service Plan relating to workforce development and well-being, namely annual training reviews and staff surveys, which are not taking place at present. The Assessor intends that, following the appointment of the Depute Assessor, regular Senior Management Team meetings will be held, and that training needs would be a permanent agenda item for such meetings.
- 2.2 Whilst staff surveys are still under consideration, the Assessor believes that the small size of the team means that structured anonymous surveys are of limited use, as staff completing such would be more likely to be identifiable, and therefore more reluctant to be candid. Instead the size of the team lends itself to informal discussions to capture any staff concerns.
- 2.3 The WFP identifies vacant roles at the date of the plan, and contains flexibility to allow changes to be made in response to changes in resource demand. Minor changes in the areas falling within the WFP are viewed as operational matters and would not be sent to the Board for approval.
- 2.4 The use of temporary staff is part of the considerations of the WFP, although the Assessor has stated that this does have practical implementation difficulties due to skill levels required, and is only really of effective use in practice for electoral canvassing.
- 2.5 The WFP contains a structured approach to assessing and planning resource, but the process set out in the plan does not include demand forecasting and growth projections. The Assessor has stated that he believes the current staff structure would have sufficient capacity within valuation to address increased resource demand from growth in the short term.
- 2.6 We suggest that, for the next iteration of the workforce plan, projections of the growth in demand across both valuation and electoral roll work should be incorporated to support the anticipated resource demand. Since this is not currently expected until 2027, we recommend that a summary of issues to be considered in that WFP is produced, which can then be amended and updated as required, to ensure that the WFP addresses any and all issues which have arisen.

3.0 Information Available to Management

- 3.1 In recent years there have been a number of changes in the legislation governing the operations of the Board. There is continuing speculation about the possibility of reform to Council Tax, and additional changes to be reflected in the Electoral process. Any further legislative changes have the potential to impact on the workforce requirements, although in the absence of specific details of additional demands placed on the Board, and whether or not additional funding would be made available from central government, it is not possible to quantify the additional resource required.
- 3.2 There is no structured means of identifying the skills and capabilities of existing staff set out in the WFP. However, the smaller size of the teams within the Board staff enables the senior management to have good oversight of both the skills and capabilities of their staff.
- 3.3 Having a smaller team also means that any changes in staffing have proportionately more impact. In addition, all staff except for the Assessor and the Depute Assessor have contracts that allow for only one month's notice. This combined with the difficulties encountered to date in recruiting staff to vacant posts means that workforce stability and staff retention are key to the Board. This is recognised within the WFP.
- 3.4 The age profile of the staff is important in allowing management to anticipate potential events such as retirement, and reflect this within succession planning. The WFP incorporates an analysis of the age and gender of staff, recognises the importance of succession planning and includes it on an ongoing basis within the action plan. The Assessor intends that any issues arising are discussed as part of the planned senior management team meetings.
- 3.5 As noted at paragraph 2.5 above, the WFP does not currently incorporate demand forecasting. The OIC and SIC websites include copies of each authority's Local Housing Strategy and Housing Need and Demand Assessment (HNDA) which includes forecast growth in domestic properties. The growth in households could also be used as an approximation for potential growth in electoral roll. Non-domestic rates (NDR) properties are more complex as they include houses used for short term letting, but overall entries to the NDR register have been relatively stable at around 2,600 properties for Orkney and 2,400 for Shetland for the past three years of reported figures.
- 3.6 We recommend that any demand forecasting undertaken for the purposes of the WFP should be based on the most recently updated copies of the Local Housing Strategy and Housing Need and Demand Assessment (HNDA) available.

Recommendation 2

4.0 Monitoring and Reporting

- 4.1 The WFP does not include measured outcomes or systems to monitor and evaluate workplace strategies. This evaluation would usually involve the following:
 - Defining specific goals of the workforce strategies.
 - Assessment of Key Performance Indicators (KPIs).
 - Analysis of workforce data.
 - A review of the alignment with future trends.
 - Obtaining feedback.
 - Benchmarking against other Boards.

- 4.2 Within the small teams of the Board, some of the above steps might not be appropriate. However, we recommend that consideration is given to including SMART (Specific / Measurable/ Achievable / Realistic / Timely) goals within the action plan of the WFP where possible.

Recommendation 3

- 4.3 Some aspects of workforce planning are specifically required to be reviewed and reported on a regular basis. The Best Value Progress reports submitted to the Board every 6 months include staff training and the position in respect of support for trainee valuers within the list of service priorities, effectively reporting on the qualifications and progress for those staff members. Any other particular workforce issues are noted where appropriate within the reports on the various operational areas within the Best Value Progress report.
- 4.4 As a result, there is high level monitoring and reporting of issues around the WFP.

Action Plan

| Recommendation | Priority | Management Comments | Responsible Officer | Agreed Completion Date |
|--|----------|--|---------------------|------------------------|
| 1 A summary of issues to be considered in the next iteration of the Workforce Plan should be produced, which can then be amended and updated as required, to ensure that the WFP addresses issues which have arisen. | Low | Agree to consider the above-noted issues in preparation of the next Workforce Plan. | Assessor & ERO | 30 September 2027 |
| 2. Any demand forecasting undertaken for the purposes of the WFP should be based on the Local Housing Strategy and Housing Need and Demand Assessment (HNDA) documents for the relevant authorities. | Low | These documents will be considered along with other indicators in terms of demand forecasting. | Assessor & ERO | 30 September 2027 |
| 3. Consideration should be given to including SMART goals within the action plan of the WFP where possible. | Low | This will be considered where possible. | Assessor & ERO | 30 September 2027 |

Key to Opinion and Priorities

Audit Opinion

| Opinion | Definition |
|-----------------------|---|
| Substantial | The framework of governance, risk management and control were found to be comprehensive and effective. |
| Adequate | Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control. |
| Limited | There are significant weaknesses in the framework of governance, risk management and control such that it could be or become inadequate and ineffective. |
| Unsatisfactory | There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail. |

Recommendations

| Priority | Definition | Action Required |
|---------------|--|---|
| High | Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk. | Remedial action must be taken urgently and within an agreed timescale. |
| Medium | Weakness in governance, risk management and control that if unresolved exposes the organisation to a significant level of residual risk. | Remedial action should be taken at the earliest opportunity and within an agreed timescale. |
| Low | Scope for improvement in governance, risk management and control. | Remedial action should be prioritised and undertaken within an agreed timescale. |