

**Report for:** Corporate Committee 30<sup>th</sup> July 2020

**Title:** Summary of Recommendations and Management Response to Internal Audit Report on Disposal of Assets October 2019

**Report authorised by :** David Joyce, Director of Housing, Regeneration & Planning

**Lead Officer:** Christine Addison, Interim Director of Capital Projects & Property

**Ward(s) affected:** All

**Report for Key/ Non-Key  
Non Key Decision:**

### **1. Describe the issue under consideration**

- 1.1. This report provides a summary of the audit recommendations, management response and implementation by the Strategic Property Unit to the internal Audit Report on Disposal of Assets, October 2019.
- 1.2. The report is for information.

### **2. Recommendations**

- 2.1. That the report be noted.

### **3. Report – Areas of Improvement and Action Plan**

- 3.1. The report undertaken by Mazars provided Limited Assurance, and made five recommendations, to which Strategic Property Unit (SPU) provided a management response and timescale for implementation.
  - 3.1.1. There was one recommendation regarding Policy and Procedures and this was given a Priority 1 by Mazars. This referred to the need for an Official Disposals Policy to be developed, to cover current council practices regarding disposals in line with council objectives. The policy should be formally approved, and records of approval should be maintained. The policy should be available to all staff, via the appropriate medium, such as a shared drive.
  - 3.1.2. SPU management response confirmed that this would be implemented by March 2020 and this was achieved ahead of timescale with the Disposals Policy being agreed by Cabinet on 11<sup>th</sup> February 2020 as part of the Asset Management Plan.
  - 3.1.3. There were 4 further recommendations, all given a Priority 2 by Mazars.
  - 3.1.4. The Asset Management Plan should be completed and adopted. SPU management response confirmed this was in course of preparation for formal adoption by March 2020. This was achieved ahead of timescale

with the Asset Management Plan approved by Cabinet on 11<sup>th</sup> February 2020.

3.1.5. The surplus to requirements status on the Disposals tracker (maintained by Strategic Property) should be updated to reflect the current status of the property. SPU management response confirmed this recommendation was implemented from a date shortly after the Audit.

3.1.6. Property valuation reports should be retained on the shared drive, or where valuation reports have not been completed notes should be made on the tracker identifying the reason. SPU management response confirmed valuations are now saved to a confidential folder in the shared drive for valuation for access by valuers.

3.1.7. The disposals tracker should be updated and maintained so that information is current for all properties considered for disposal. SPU management response confirmed that all properties are now classified as to their current status or a reason given for not being able to locate historical information. SPU confirmed that from April 2020 voids, acquisitions and disposals would be reported via the Asset Management and Estate Management software platform (new Estate Management Database). This has been delayed owing to the new SAP provider going live on 1<sup>st</sup> June, and as a result the Estates Management Database is expected to be implemented by 1<sup>st</sup> September. This will hold data in real time to ensure that management reports are continuously up to date. Until then the disposals tracker will be updated manually on a monthly basis.

3.1.8. In carrying out the Audit, Mazars selected a random sample of 20 properties from the disposals tracker, of which details of 6 properties were not provided during the Audit. These were small historic disposals carried out in 2016/17, which pre-dated the formation of SPU and were initiated by Public Health and in one case Regeneration.

3.1.9. SPU are now carrying out a Property Governance Review which will ensure that Strategic Property oversee all acquisitions and disposals initiated by the Council. The Review outcome will ensure that the Council utilises, acquires and disposes, if required, of building assets to the corporate benefit of the whole Council.

#### **4. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

##### **4.1. Finance**

N/A

##### **4.2. Procurement**

N/A

##### **4.3. Legal[Name and title of Officer completing these comments]**

N/A

#### 4.4. Equality

N/A