

# Audit and Corporate Governance Committee



Report of Audit Manager

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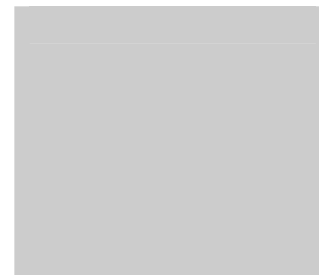
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To: Audit and Corporate Governance Committee

DATE: 9 July 2013



## Internal audit activity report quarter one 2013/2014

### Recommendation

(a) That members note the content of the report.

### Purpose of report

1. The purpose of this report is to summarise the outcomes of recent internal audit activity for the committee to consider. The committee is asked to review the report and the main issues arising, and seek assurance that action has been or will be taken where necessary.

### Background

2. Internal audit is an independent assurance function that primarily provides an objective opinion on the degree to which the internal control environment supports and promotes the achievements of the councils' objectives. It assists the councils by evaluating the adequacy of governance, risk management, controls and use of resources through its planned audit work, and recommending improvements where necessary.

3 After each audit assignment, internal audit has a duty to report to management its findings on the control environment and risk exposure, and recommend changes for improvements where applicable. Managers are responsible for considering audit reports and taking the appropriate action to address control weaknesses.

4. Assurance ratings given by internal audit indicate the following:

**Full Assurance:** There is a sound system of internal control designed to meet the system objectives and the controls are being consistently applied.

**Satisfactory Assurance:** There is basically a sound system of internal control although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor system objectives at risk.

**Limited Assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.

**Nil Assurance:** Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

5. Each recommendation is given one of the following risk ratings:

**High Risk:** Fundamental control weakness for senior management action

**Medium Risk:** Other control weakness for local management action

**Low Risk:** Recommended best practice to improve overall control

### Internal Audit Activity

6. Since the last audit and corporate governance committee meeting, the following audits have been completed:

#### Planned Audits

Full Assurance: 3

Satisfactory Assurance: 3

Limited Assurance: 1

Nil Assurance: 0

	Assurance Rating	No. of Recs	High Risk Recs.	No. Agreed	Medium Risk Recs.	No. Agreed	Low Risk Recs.	No. Agreed
Housing & Council Tax Benefits 12/13	Full	2	0	0	0	0	2	2
Pro-active Anti-Fraud 12/13	Satisfactory	1	0	0	1	1	0	0
Council Tax 12/13	Satisfactory	4	0	0	2	2	2	2
Capital Management & Accounting 12/13	Limited	10	0	0	3	3	7	6
Receipt of Income Arrangements 12/13	Satisfactory	2	0	0	2	2	0	0
Budgetary Control 12/13	Full	4	0	0	0	0	4	4
Development Management 12/13	Full	2	0	0	1	1	1	1

Follow Up Reviews

	Initial Assurance Given	No. of Recs	Implemented	Partly Implemented	Not Implemented	Ongoing
Verification of Budget Savings 11/12	Satisfactory	3	1	2	0	0
Discretionary Grants 12/13	Satisfactory	4	3	0	0	1
Carbon Management 12/13	Satisfactory	7	1	0	1	5
Seasonal Leisure Activities 12/13	Full	2	1	0	1	0
Information Governance 12/13	Satisfactory	3	1	0	1	1

7. Members of the committee are asked to seek assurance from the internal audit report and/or respective managers that the agreed actions have been or will be undertaken where necessary.
8. A copy of each report has been sent to the appropriate head of service, the relevant strategic director, the section 151 officer and the relevant member portfolio holder. In addition to the above arrangements, reports are now published on the council intranet and committee members are alerted by e-mail when reports are published.
9. Internal audit continues to carry out a six month follow up on all non-financial audits to establish the implementation status of agreed recommendations. All key financial system recommendations are followed up as part of the annual assurance cycle.

### **Systemic Control Weaknesses**

10. **Appendix 2** of this report sets out weaknesses which have been identified within planned audits which internal audit consider to be systemic within the council. Every recommendation made by internal audit since April 2010 has been logged within a recommendation register according to an Institute of Internal Auditors control type definition, and a point system has been used - 1 point for a low risk recommendation, 2 points for a medium risk recommendation and 3 points for a high risk recommendation. The points have been totalled against each control type, and the top 10% control weaknesses which occur across a number of operational areas have been listed as a systemic control weakness. The table will be reviewed and updated by the audit manager, head of finance and the strategic director (section 151 officer) on an ongoing basis, and will be used to inform the annual audit plan and the scope of individual reviews

### **Financial Implications**

11. There are no financial implications attached to this report.

### **Legal Implications**

12. None.

### **Risks**

13. Identification of risk is an integral part of all audits.

ADRIANNA PARTRIDGE  
AUDIT MANAGER

## **1. CAPITAL MANAGEMENT & ACCOUNTING 2012/2013**

### **1. INTRODUCTION**

- 1.1 The fieldwork for this audit was undertaken in March 2013 and the final report was issued on 24 April 2013.
- 1.2 The following areas have been covered during the course of this review to provide assurance that:
- There is adequate control over the migration of data from the excel based system to Agresso.
  - The council has an up-to-date Capital Financial Strategy and Asset Management Plan in order to develop and manage the capital programme.
  - Adequate monitoring is undertaken in relation to capital contracts and approved budgets.
  - Appropriate capital accounting arrangements are in place.
  - There is adequate authorisation of additions, disposals, write-offs, transfers and amendments of the asset register.
  - The asset register is regularly reconciled to other sources and adequate controls are in place over the completeness of the register.
  - The joint property and asset management system is suitably maintained and updated.

### **2. BACKGROUND**

- 2.1 The council prepares annual financial statements which are subject to external review by Ernst and Young. The financial statements include details of the council's capital assets and related capital expenditure.
- 2.2 The council's capital assets are recorded on an asset register. The responsibility of accounting for capital items is shared between the principal accountant and accountant. The duty of managing each capital programme is allocated to a responsible officer. Capital monitoring reports are made available to cabinet quarterly. The statement of accounts for 2011/12 stated the property, plant and equipment is £28,765k and £195k for intangible assets.
- 2.3 A technologyforge (TF) system is used by the council, which is an electronic premises register to store detailed information on the council's physical assets. This went live on 4 April 2012.

### **3. PREVIOUS AUDIT REPORTS**

- 3.1 Capital management and accounting was last subject to an internal audit review in February 2012 and nine recommendations were raised.

APPENDIX 1

A limited assurance opinion was issued.

- 3.2 No recommendations from the previous report have been implemented, and have been restated in this review (Rec 2 – 10)

**4. 2012/2013 AUDIT ASSURANCE**

- 4.1 **Limited assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.
- 4.2 Ten recommendations have been raised in this review (nine of which are restated from the 2011/2012 review), three medium risk and seven low risk.

**5. MAIN FINDINGS**

**5.1 Data migration to Agresso**

- 5.1.1 Asset data is currently being migrated from an excel based spreadsheet into a fixed assets (FA) module within the Agresso financial system. At the time of review, asset data had been loaded into the test FA system and officers were running a dummy closedown. If there are issues identified then it is unlikely the new FA system will be used for 2012/13 closedown although the system will be used at some point. Whilst there are plans to report on the migration, there is no formal action plan documenting the process. A recommendation from the previous audit review is restated (Rec 2). No further recommendations have been made as a result of our work in this area.

**5.2 Strategy**

- 5.2.1 Whilst there is a capital strategy for the period 2010/11 to 2014/15, officers have agreed this is no longer required and is instead covered by a Medium Term Financial Strategy (MTFS) and Asset Management Plan (AMP). The MTFS sets out the financial framework within which the council operates. The AMP is designed to ensure council property is managed effectively and efficiently. The AMP requires updating, and recommendations have been restated from the previous audit review (Recs 3 and 7-9). No further recommendations have been made from our work within this area.

**5.3 Monitoring**

- 5.3.1 Internal audit verified the capital programme (as part of the budget for 2012/2013) had received appropriate approval. The capital programme is clearly laid out with sections on both the approved and provisional programmes. Individual projects are detailed (i.e. descriptions and project managers). There were no significant concerns as a result of

APPENDIX 1

this review.

- 5.3.2 Capital programme project monitoring reports are now sent to senior management board (SMB) every quarter. From the review of the report structure there were no issues of concern. There have been no capital virements during 2012/2013 (as at audit date). There have been five SODC capital growth bids made and an additional three joint bids between SODC and VWHDC. Internal audit reviewed the process and are satisfied the bids have been documented and formally approved by both cabinet and council. There have been no significant capital projects which have ended in 2012/2013, but the system to ensure all projects are subject to a post-project review (although imminent) is still not in place. A recommendation has been restated from the previous review (Rec 4). No further recommendations have been made as a result of our work in this area.

5.4 **Accounting arrangements**

- 5.4.1 The responsible officers for management of capital accounting are set out in the council intranet pages. There is also budget setting and monitoring guidance notes which include capital processes. A detailed timetable is provided for the full budget setting process. There is also guidance on the shared finance drive on key capital accounting terms; however there are no procedure notes on the capital accounting processes. A previous year recommendation has been carried forward (Rec 5), no further recommendations have been made as a result of our work in this area.

5.5 **Disposals, write-offs, transfers and amendments**

- 5.5.1 The council's constitution requires the head of economy leisure and property to maintain an up to date register of all land and property owned or controlled by the council or in which the council has an interest. Internal audit reviewed 20 capital additions to check the additions were capital in nature and appropriately disclosed, e.g. disclosed in the correct time period. From the testing there were no issues of concern noted. The council constitution sets out the authorisation levels for disposals of land and property. A previous recommendation recommended that changes are needed to the constitution e.g. over the need for initial valuations for all disposals. The recommendation has not been implemented and has been restated as part of this review (Rec 6). There has been only one disposal in the year which has been adequately authorised and recorded on the general ledger. There have been no write offs, transfers and amendments in 2012/2013. No further recommendations have been made as a result of our work in this area.

5.6 **Asset register**

- 5.6.1 The fixed asset register is a spreadsheet held by the accountant. The

**APPENDIX 1**

asset register outlines the asset description, cost, depreciation charges and net book value and internal audit have concluded is appropriately documented. The accountant carries out an adjustment to the fixed asset register from the valuation report on a yearly basis. The asset register is used to provide the final accounts figures currently, and therefore there is no need for further reconciliation. A recommendation from the previous review has been restated (Rec 10). No further recommendations have been made as a result of our work in this area.

**5.7 Property and asset management system**

5.7.1 The ‘technologyforge’ (TF) system is an electronic premises register for storing detailed information on the council’s physical assets. The system went live 4 April 2012 as a replacement for the previous Access database. The council intranet pages include guidance on using the new system. On review from internal audit, it was concluded the user manuals were comprehensive, up to date and available to relevant users. The system has a comprehensive audit trail on changes made to records, activity by user profiles and security audit reports (which are reports on e.g. changes to user profile passwords). Internal audit reviewed the password parameters in place for TF and no obvious concerns were identified. Internal audit reviewed HR and the TF system records to ensure all new starters and leavers had been appropriately added or removed to the system. From this review, internal audit had no concerns.

5.7.2 The shared strategic property officer stated there was a complete check of all data held on the Access database to the new TF system. The officer confirmed there needs to be reconciliation process between the TF system and accountancy’s records. One recommendation has been raised as a result of our work in this area (Rec 1).

**OBSERVATIONS AND RECOMMENDATIONS**

**PROPERTY AND ASSET MANAGEMENT SYSTEM**

**1. Property Database**

**(Medium Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> The property database is reconciled to fixed asset records regularly.</p> <p><u>Findings</u> There is no current reconciliation in place between the TF system and any other system, e.g. Agresso or the fixed asset register. On consultation with the shared strategic property officer it was agreed this issue needs to be</p>	<p>Undertake a reconciliation process to ensure there is consistency between the new TF system and other sources of information where required (e.g. asset register, general ledger, and property valuation)</p>	<p>Shared strategic property team leader</p>



APPENDIX 1

<p>reviewed.</p> <p><u>Risk</u> Incorrect information is held leading to misreporting of data.</p>		
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b></p> <p>A lot of work was undertaken at the time the TF system was introduced to ensure the data from previous databases at South and Vale was accurately transferred. A technical assistant is currently being recruited to the Strategic Property Team and one of his/her main tasks will be to fully populate relevant data onto the TF system and check data is accurate and up to date. In respect of reconciliation to the fixed asset register, it is noted that this is due to be migrated to Agresso and so the reconciliation would best be undertaken on completion of that project.</p> <p>Management response: Shared strategic property team leader</p>		15 January 2014

**PREVIOUS RECOMMENDATIONS 2011/2012**

**2. Specification**

**(Low Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> There is a timetable and set of duties allocated for any transfer of data.</p> <p><u>Findings (2011/2012)</u> The council is to transfer fixed assets data from the Excel spreadsheet to a module within Agresso (the council's finance system). However, whilst a provisional high level timetable has been formulated, a detailed task list and allocation of duties has not yet been established.</p> <p><u>Findings (2012/2013)</u> The accountancy team are working with Mendip DC on the migration of data. The team have visited Mendip DC and are in discussions. There is a test system in place however a formal timetable has not been established.</p> <p><u>Risk</u> All roles and responsibilities are not completed in good time, leading to delays in the overall process.</p>	<p>Establish a detailed task breakdown and allocation for the migration of data to the new Agresso module.</p>	<p>Shared accountancy manager (revenue)</p>
<b>Management Response 2011/2012</b>		<b>Implementation Date</b>

APPENDIX 1

Recommendation is <b>Agreed</b>	31 July 2012
Management response: Shared accountancy manager (revenue)	
<b>Management Response 2012/2013</b>	<b>Implementation Date</b>
<p>Recommendation is <b>Not Agreed</b></p> <p>Responsibility for the fixed asset project has now passed to the shared accountancy manager (technical). The project is being run by a small dedicated team within the technical section of the accountancy team. Regular (weekly or fortnightly) progress meetings take place (in which these issues are discussed) and <i>ad hoc</i> updates are routinely passed to the project manager, as well as documented action meetings with the Capita consultant from Mendip. However, due to circumstances and events outside of the project team's control, it has proved very difficult to implement to the required time schedule. These issues will be raised separately with the head of finance, but realistically to try and keep track of the project to a timetable would mean that more time is spent amending and updating the timetable than actually delivering the project. Therefore the recommendation is not agreed.</p> <p>Management response: Shared accountancy manager (technical)</p>	<p>Project now on hold to allow staff to concentrate of closedown work using spreadsheets.</p> <p>Project still planned to be implemented by 30 September 2013.</p>

**3. Asset Management Plan**

**(Medium Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> The capital strategy and asset management plan are reviewed and approved annually.</p> <p><u>Findings (2011/2012)</u> The strategy covers the time period from financial year 2010/11 to 2014/15. The plan covers the period 2009 – 2012. Since its formulation there has been no subsequent review of the plan to reflect any changes which may have taken place. The council no longer intend to use the capital strategy and the asset management plan will be used instead.</p> <p><u>Findings (2012/2013)</u> There has been no action on this recommendation, and the plan is now out of date.</p> <p><u>Risk</u> If the capital strategy and asset management plan are not updated annually it may not reflect current needs.</p>	<p>Update the council Asset Management Plan (including Capital Strategy elements) on a regular basis.</p>	<p>Strategic property team leader and shared accountancy managers (revenue and technical)</p>

APPENDIX 1

<b>Management Response 2011/2012</b>	<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b>                      It is intended that a new asset management plan will be developed within the year 2012/13 by the strategic property team. However, matters relating to capital strategy will continue to be the primary responsibility of the finance team.</p> <p>Management response: Strategic property team leader</p>	<p>31 March 2013</p>
<b>Management Response 2012/2013</b>	<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b>                      Whilst progress is being made on production of a new asset management plan, this has not been completed and is carried forward into service delivery plan for completion during 2013/14. However matters relating to the capital strategy will continue to be the responsibility of the finance team.</p> <p>Management response: Shared strategic property team leader</p>	<p>31 March 2014</p>

**4. Project appraisals**

**(Medium Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u>                      All projects are subject to a timely appraisal on completion.</p> <p><u>Findings (2011/2012)</u>                      The Shared Strategic Property Team Leader stated that the Moorlands capital project which was completed in May 2011 did not have a post project review.</p> <p><u>Findings (2012/2013)</u>                      Through speaking to the programme support manager and shared accountancy manager (technical) internal audit understand the process of post-project evaluation is currently undergoing a restructure and will be part of the project management toolkit.</p> <p><u>Risk</u>                      If project appraisals are not carried out – the council may not be adopting best practice which could lead to an inefficient allocation of resources.</p>	<p>Complete a project appraisal for all capital programmes, where appropriate, on a timely basis.</p>	<p>Project managers, heads of service and service managers</p>

APPENDIX 1

Management Response 2011/2012	Implementation Date
<p>Recommendation is <b>Agreed</b>                      Project managers are responsible for their individual projects and this includes post-completion appraisals.</p> <p>Schemes for which post-completion appraisals have been carried out are denoted in the year end outturn capital programme report. Budget holders are responsible for advising accountancy once a post-completion appraisal has been completed.</p> <p>Management response: Head of finance</p>	<p>30 July 2012</p>
Management Response 2012/2013	Implementation Date
<p>Recommendation is <b>Agreed</b>                      Post project appraisal methodology is being developed by the councils' projects team as part of the project methodology toolkit. Accountancy have been involved in the process.</p> <p>Management response: Shared accountancy manager (technical)</p>	<p>31 March 2014</p>

5. Guidance notes

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u>                      There are appropriate, up-to-date, guidance notes for the responsibilities and duties over the accounting of capital items.</p> <p><u>Findings (2011/2012)</u>                      On discussion with the accountant, there are no guidance notes in place for the discharge of roles and responsibilities over capital accounting. However, there is a copy of CIPFA guidance "Module 4 – 'non-current assets'" which is a financial reporting guide.</p> <p><u>Findings (2012/2013)</u>                      There are no guidance notes on the capital accounting processes.</p> <p><u>Risk</u>                      If best practice is not be adhered to, particularly in the absence of key officers, it may lead to inappropriate accounting treatment of capital items.</p>	<p>Ensure there are appropriate guidance notes covering capital accounting requirements.</p>	<p>Shared accountancy manager (revenue)</p>
Management Response 2011/2012	Implementation Date	
<p>Recommendation is <b>Agreed</b>                      This will be incorporated into the implementation of the fixed asset accounting module</p> <p>Management Response: Shared accountancy manager (revenue)</p>	<p>31 March 2013</p>	

APPENDIX 1

Management Response 2012/2013	Implementation Date
<p>Recommendation is <b>Agreed in Principle</b></p> <p>Whilst the production of guidance notes is recognised as good practice, it is likely that resource constraints would not allow for these to be developed. No allowance for this kind of work was made in the fit for the future review of accountancy, and consequently no resource was identified for this sort of task.</p> <p>Management response: Shared accountancy manager (technical)</p>	<p>If resources allow.</p>

**6. Constitution**

**(Low Risk)**

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The constitution reflects all current practices at the council.</p> <p><u>Findings (2011/2012)</u> On review of the constitution, internal audit noted there is no clear authorisation path for book value of less than £5,000 and estimated value greater than £10,000.</p> <p>The constitution also states, for land, “all disposals an initial valuation must be provided by a qualified valuer: ” However, no initial valuation was carried for all disposals. Instead, a previous valuation report dated (31/03/09) was relied upon to attain the value for the disposal items.</p> <p>The Shared Strategic Property Team Leader has stated the need to refresh this section of the constitution.</p> <p><u>Findings (2012/2013)</u> There is now an authorisation path for a book value £5,000 and estimated value greater than £10,000. However the document still needs to be updated to reflect the use of valuations for disposals.</p> <p><u>Risk</u> Current practices do not comply with own council procedures.</p>	<p>Ensure the Constitution is updated to reflect current practices.</p>	<p>Strategic property team leader and head of finance</p>

APPENDIX 1

Management Response 2011/2012	Implementation Date
<p>Recommendation is <b>Agreed</b>                  There will be a review of the council’s constitution during 2012/2013, and this issue will be raised with democratic services as part of the review unless it can be dealt with more quickly.</p> <p>Management response: Strategic property team leader</p>	<p>Subject to timing of changes to constitution.</p>
Management Response 2012/2013	Implementation Date
<p>Recommendation is <b>Agreed</b>                  Strategic property team leader has asked the head of finance to consider changing the finance procedure rules (within the constitution) to accept valuations (for disposals) of not less than six months old. The timetable to ensure this is approved by council is currently July 2013.</p> <p>Management response: Shared strategic property team leader</p>	<p>30 July 2013</p>

**7. Asset management action plan**

**(Low Risk)**

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u>                  Action plan is reviewed and progress recorded against actions to demonstrate that adequate monitoring arrangements are in place.</p> <p><u>Findings (2010/2011)</u>                  Internal audit noted that the asset management action plan had not been reviewed or updated to reflect what progress had been made since the plan was written at 1 April 2009.</p> <p><u>Findings (2011/2012)</u>                  There has been no change to the asset management plan since the last review.</p> <p><u>Findings (2012/2013)</u>                  The plan is not up to date.</p> <p><u>Risk</u>                  Failure to review implementation of the action plan could undermine the efforts of heads of service and their ability to develop their strategies to incorporate and consider asset management.</p>	<p>The Asset Management Plan 2009-2012: Action Plan is reviewed on a regular basis to reflect any changes required.</p>	<p>Strategic property team leader</p>

APPENDIX 1

<b>Management Response 2010/2011</b>	<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b>                      The action plan will be discussed with the cabinet member following the forthcoming elections to incorporate their views.</p> <p>Management Response: Shared Strategic Property Team Leader</p>	31 December 2011
<b>Management Response 2011/2012</b>	<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b>                      The action plan will be reviewed as part of the production of the next asset management plan and will be updated as necessary. Officers will seek to put in place more robust arrangements to ensure regular review of the action plan occurs over the next asset management plan period.</p> <p>Management response: Strategic property team leader</p>	31 March 2013
<b>Management Response 2012/2013</b>	<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b>                      Essentially this action follows on from the production of an AMP - response as per previous year</p> <p>Management response: Shared strategic property team leader</p>	15 January 2014

**8. Annual property report**

**(Low Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u>                      The annual property report should form an integral part of the reporting framework for the Council's asset management arrangements.</p> <p><u>Findings (2010/2011):</u>                      As part of the Asset Management plan arrangements the first annual property report (2009/10) had been produced in August 2010. At this stage the report has only been shared with the Head of Leisure, Economy and Property and the Economic Development Officer.</p> <p><u>Findings (2011/2012)</u>                      The Strategic Property Team Leader has stated the property report was not produced.</p> <p><u>Findings (2012/2013)</u>                      The annual property report is currently being developed and</p>	<p>Circulation of the annual property report should be considered, to ensure a comprehensive reporting framework which keeps officers and members informed of all issues relating to asset management and capital expenditure.</p>	<p>Strategic property team leader</p>

APPENDIX 1

<p>as yet has not been circulated.</p> <p><u>Risk</u> Failure to monitor and report on property as an inclusive part of the asset management arrangements could result in projects which include the councils assets not delivering to specification.</p>		
<b>Management Response 2010/2011</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> The annual report will be discussed with the Shared Head of Economy Leisure and Property to establish the circulation requirements.</p> <p>Management Response: Shared Strategic Property Team Leader</p>		31 July 2011
<b>Management Response 2011/2012</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> Whilst there is value in the production of an annual property report and its circulation to appropriate officers and members, this was not undertaken after the year ending 2010/11 due to other priorities and the resources available. However with the strategic property team in place a report will be provided in 2012/13, albeit in a shortened format.</p> <p>Management response: Strategic property team leader</p>		31 March 2013
<b>Management Response 2012/2013</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> Due to other priorities this work has not been undertaken - the content of the report will be an item for the Asset Management action plan.</p> <p>Management response: Shared strategic property team leader</p>		15 January 2014

**9. Date and ownership - asset management plan**

**(Low Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> Plans are published with an effective date for quoted statistics and clearly state the owner and approver of the plan.</p> <p><u>Findings (2010/2011)</u> The Asset Management Plan contained statistics, such as 'the council holds an estate of 266 properties with a value in the order of £47.2 million', but did not state an effective date. The owner and authoriser of</p>	<p>Where the Asset Management Plan refers to statistics, it clearly states when these are valid. The plan should also include details of the plan owner and approver.</p>	<p>Shared Strategic Property Team Leader</p>



APPENDIX 1

<p>the plan was not stated.</p> <p><u>Findings (2011/2012)</u> There has been no change to the Asset Management Plan since the last review.</p> <p><u>Findings (2012/2013)</u> The plan is not up to date.</p> <p><u>Risk</u> If dates are not clearly provided then the information may be mistakenly interpreted as current.</p>		
<b>Management Response 2010/2011</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> This will be incorporated into the next Asset Management Plan. The date this will be prepared is expected to be during 2011/2012 as the current plan is valid to 2012.</p> <p>Management Response: Shared Strategic Property Team Leader</p>		31 March 2012
<b>Management Response 2011/2012</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> This will be incorporated into the next Asset Management Plan. The date this will be prepared is expected to be during 2011/2012 as the current plan is valid to 2012.</p> <p>Management Response: Shared Strategic Property Team Leader</p>		31 March 2012
<b>Management Response 2012/2013</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> This recommendation will be incorporated into the production of the next asset management plan, which as indicated is carried forward into the service delivery plan for 2013/14</p> <p>Management response: Shared strategic property team leader</p>		15 January 2014

10. Valuation listings

(Low Risk)

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> Where assets are listed such as lease but no value is attributed, an explanatory note should be provided.</p> <p><u>Findings (2010/2011):</u> A listing of assets and valuations is produced annually but does not provide explanation where some of the items listed have no value attached. For example Burcot</p>	<p>Explanatory notes are provided in the asset register valuation to explain listings which do not have a value stated.</p>	<p>Shared Strategic Property Team Leader</p>

APPENDIX 1

<p>Farm leased to SODC listed as non operational land/property has no value listed but garages leased at Gillots Hill Harpsden do have a value.</p> <p><u>Findings (2011/2012)</u> Internal audit on review of the fixed asset register - identified 97 cases where a nil value had no explanatory notes.</p> <p><u>Findings (2012/2013)</u> On review of the fixed asset register, this has not as yet been completed.</p> <p><u>Risk</u> If explanations are not provided where data appears inconsistent it may appear that there has been an omission or error in the details presented.</p>		
<p><b>Management Response 2010/2011</b></p>		<p><b>Implementation Date</b></p>
<p>Recommendation is <b>Agreed</b></p> <p>Management Response: Strategic Property Officer</p>		<p>31 March 2011</p>
<p><b>Management Response 2011/2012</b></p>		
<p>Recommendation is <b>Agreed</b></p> <p>Officers consider this is a minor matter but accept that it was overlooked in the 2010/11 valuation report. We will incorporate explanatory notes into the 2011/12 end of year valuation report.</p> <p>Management response: Strategic property team leader</p>		<p>30 April 2012</p>
<p><b>Management Response 2012/2013</b></p>		<p><b>Implementation Date</b></p>
<p>Recommendation is <b>Agreed</b></p> <p>This should have been done but wasn't - to be honest if there is a query on any of the valuations then anyone in finance or elsewhere can obviously simply ask the question - this applies to any property/values not just those with nil value.</p> <p>Management response: Shared strategic property team leader</p>		<p>15 January 2014</p>