

## **Audit Committee**

**27<sup>th</sup> June 2013**



## **Disposal of Asset Procedures**

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### **Report of Stuart Timmiss Head of Planning and Assets**

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#### **Purpose of the Report**

1. At a meeting of this committee held on 21<sup>st</sup> February 2013 to consider a report on the disposal of Windlestone Hall, the Committee requested that an update be brought back on actions taken and planned to improve systems and processes for disposals and that a process map illustrating a disposal be provided.
2. The Committee also requested that Internal Audit review the effectiveness of controls in approximately 6 month's time, as part of next year's audit plan, and report the outcomes to a future meeting of the Committee.

#### **Background**

3. For members information the Action Plan for Implementation is attached as Appendix A. To accord with the lessons learned from the investigation the service has implemented all of the recommendations of the Action Plan.
4. A guidance note for disposals has been implemented as part of the Disposal and Acquisition Strategy which has been incorporated into the Councils Property Strategy. This is going to Cabinet for formal adoption in July as one of a number of Strategies relating to the Councils Asset Management Planning policies.
5. The Disposal and Acquisition element of the strategy is attached as Appendix B and Appendix C sets out specific procedural guidance for officers on disposals. A process map illustrating the Disposal process is attached as Appendix D.

#### **Recommendations and Reasons**

6. The events subject to the investigation happened prior to the restructure of Assets in December 2012 and the establishment of a dedicated Disposals and Acquisitions team and a Valuation team. This has provided capacity, clarity and focus within the Property Management Team. Whilst many of the

report's recommendations were already being addressed, further work has been done to enhance the process.

7. Whilst the committee was assured officers were taking appropriate action to improve the management of risks associated with land and building disposals in response to control weaknesses identified through the review, it is hoped that the revised and updated Disposal Strategy and process map gives further assurance to this view.
8. Nevertheless the Committee also requested that Internal Audit review the effectiveness of controls in approximately 6 month's time, as part of next year's Audit Plan, and their findings will be brought back to a future meeting of the Committee.

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