

REPORT TO GOVERNANCE AND AUDIT COMMITTEE

REPORT OF: Property Development Manager

REPORT NO: PD03

DATE: 6 December 2012

TITLE:	Leases Audit Update	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Cllr Mike Taylor - Strategic Resources - Well Run Council	
CONTACT OFFICER:	Neil Cucksey - Property Development Manager n.cucksey@southkesteven.gov.uk tel: 01476 406224	
INITIAL IMPACT ANALYSIS: Equality and Diversity	Carried out and Referred to in paragraph (7) below	Full impact assessment Required:
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS	Governance & Audit Committee Papers 25 September 2012: http://moderngov.southkesteven.gov.uk/ieListDocuments.aspx?CId=498&MId=2840&Ver=4	

1. RECOMMENDATIONS

That the Governance and Audit Committee note the progress made in respect of the update provided in the Appendices to this report.

2. PURPOSE OF THE REPORT

Internal auditing is an independent objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined

approach to evaluate and improve the effectiveness of risk management, control and governance processes.

This report provides an update of progress made against the recommendations and management actions.

3. DETAILS OF REPORT

An audit of Leases was undertaken in June 2012 as part of the approved internal audit periodic plan for 2011/12.

This audit was identified for inclusion in the audit plan for 2012 following dialogue between the Property Development Manager, Strategic Director, (Corporate Focus) and representatives of RSM Tenon.

As the Property Development service was established in January 2012, when the Property Development Manager commenced employment with South Kesteven District Council, management considered it useful to articulate the current reality of processes and procedures to give visibility to issues with these following the split of community assets from operational and commercial assets in January 2012. Prior to January 2012 all property leases were managed under one service area, Asset and Facilities.

The council previously employed an in house commercial surveyor within the asset team. However in December 2011 the post holder resigned and this presented an opportunity to review how this specialist area was resourced. Rather than appoint to the vacant post the required services were tendered with local commercial property specialists to provide a range of services in partnership with the council.

This approach gives the council access to a range of professionally qualified property specialists able to cover all aspects of property management and at the same time resulted in a budget saving.

At the time of this audit the full integration of this approach had not been fully established and so part of the management actions required from the audit findings are being realised by the maturing of this partnership.

An update of progress made against each of the recommendations is attached to this report in the appendix.

4. OTHER OPTIONS CONSIDERED

This is an update report - the recommendations have already been accepted.

5. RESOURCE IMPLICATIONS

Recommendations can be addressed within existing resources as outlined in the appendix.

6. RISK AND MITIGATION

The risks have been assessed as part of the audit and captured by the recommendations.

7. ISSUES ARISING FROM IMPACT ANALYSIS

None arising from this report.

8. CRIME AND DISORDER IMPLICATIONS

None arising from this report.

9. COMMENTS OF FINANCIAL SERVICES

All financial implications arising from the recommendations will be met from existing resources.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

None arising from this report.

11. COMMENTS OF OTHER RELEVANT SERVICES

None arising from this report.

12. APPENDIX: Leases Update