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Dear HIA

GOVERNMENT ESTATE TRANSFORMATION AND INTERNAL AUDIT

The purpose of this letter is to bring to your attention two key developments in the management of the Government estate and to encourage the active involvement of internal audit teams in contributing to the success of both initiatives.

electronic Property Information Mapping Service (e-PIMS)

2. The profile and importance of having complete and robust data in order for Departments to make informed decisions about the management and use of their estate portfolios and individual buildings, has increased significantly over the last six months. In particular:

- a. Departmental Board level property champions have agreed the importance of having quality data that will support their own Departmental asset management strategies and will allow them to exchange meaningful data between Departments and compare estate performance. OGC has developed a performance comparator tool (the Property Interrogator) that extracts data from the central property database, e-PIMS; this has been very well received by the Champions and increases the need to ensure quality base data.
- b. At its hearing on 14 January 2008 on the NAO's report *Improving the efficiency of central government's office property* (http://www.nao.org.uk/publications/nao_reports/07-08/07088.pdf), the Public Accounts Committee focussed strongly on data and performance measurement and reinforced the need for quality data to inform decision making. The committee was encouraged by the work that OGC had done on e-PIMS and cross-Government property benchmarking but recognised fully that these tools were only as good as the data provided by Departments.



- c. Sir Gus O'Donnell has stated clearly that sustainability of the government estate will be one of his four corporate priorities for the civil service. From this April, there have been changes to Permanent Secretaries' objectives to address achievement against Sustainable Operations on the Government Estate (SOGE) targets. The property benchmarking data on individual building sustainability performance provides the core information on delivering the bulk of the SOGE targets. Again therefore it is fundamentally important that Departments have, and provide, complete and robust data.

3. All of this reinforces the importance of data and the need for OGC to have regular assurance on completeness and quality. OGC has invested significant resource over the last year in working with Departments on data quality on e-PIMS. That support will continue but the onus is clearly on Departments to review and validate their data on a regular basis. It should be noted that the recent amendment to the SIC guidance promulgated by DAO(GEN)02/08 (<http://www.hm-treasury.gov.uk/media/1/5/dao0208.pdf>) gave greater emphasis to the importance of information used for reporting. Internal Audit can have a key role in reviewing the way risks to data quality are managed, and some of the leading Departmental audit teams, for example in DWP, DfT and Ordnance Survey are already supporting their Departments and wider sponsored bodies by reviewing data quality controls.

High Performing Property (HPP) Internal Audit Assurance Matrix

4. In 2006, following Sir Peter Gershon's Efficiency Review and Sir Michael Lyons' reports on relocation and management of public sector assets, OGC commissioned Professor Steven Male from Leeds University to develop a model of excellence in property asset management in Central Government. As a result OGC and Departments agreed the High Performing Property Routemap¹

5. In his report to OGC, Professor Male identified the role of internal audit as an essential element in excellent property asset management (PAM). Based on these ideas it was proposed in the HPP Implementation Plan² that methodologies to support Internal Audit in this work should be developed and shared between Departments.

6. As a result a group of internal auditors from HMRC, DWP, DfT and HMT has developed the attached Assurance Matrix. The Matrix takes a high level

¹

http://www.ogc.gov.uk/better_asset_management_efficiency_in_property_asset_management.asp

² <http://www.ogc.gov.uk/documents/CP0154HighPerformingPropertyImplementationPlan.pdf>

view, aiming to cover all the potential aspects of PAM audit. The Matrix can be used as a framework from which to develop audit programmes exploring different areas of property over time and to different levels of detail depending on each organisation's assessment of the risks to vfm and their objectives.

7. The group hope that sharing their work with the wider Internal Audit community will be helpful for teams that have yet to consider their response to HPP. This framework will also prove beneficial as a common frame of reference for discussions between OGC and Departments regarding the nature and level of PAM audits taking place, and their impact on improved Property Asset Management Performance. In March 2009 OGC intend to review progress.

8. I should be glad if you would consider using this Matrix to support your audits of property asset management performance.

Yours sincerely

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