STONDON PARISH COUNCIL

DOCUMENT CONTROL

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1. INTRODUCTION

1.1. Stondon Parish Council "The Council" maintains an Asset Register to ensure fixed assets and long-term investments are appropriately safeguarded. The Asset Register is required to:

1.1.1. Provide information to Councillors as to the assets under their control.

1.1.2. Track and monitor the assets.

1.1.3. Provide information for decision making purposes e.g., maintenance, disposal.

1.1.4. Provide information for external reporting, insurance, and audit purposes.

1.2. The term fixed assets mean property, plant and equipment with a useful life of more than one year used by the authority to deliver its services. Fixed assets are also known as non-current assets.

1.3. A long-term investment arises where the authority invests money in anything other than a short-term investment.

2. RECORDING OF ASSETS

2.1. The Council will maintain an Asset Register of items as described in 1.2 above if;

2.1.1. Purchase / acquisition cost is more than £250.

2.1.2. The Council receives an asset as a gift at zero cost, e.g.: transfer from a principal authority or other organisation under a community asset transfer scheme. The asset in these circumstances will be included in the Asset Register with a nominal one-pound (£1) value as a proxy for the zero cost.

2.1.3. The Council receives a community asset at zero cost that does not have functional purpose or any intrinsic resale value, e.g.: a village pond or war memorial. The asset in these circumstances will be included in the Asset Register with a nominal one-pound (£1) value as a proxy for the zero cost.

2.2. The register will be held by the Clerk and updated annually or as required.

3. VALUATION

3.1. The criterion by which asset valuation will be decided for first registration on the Asset Register is at acquisition cost.

3.2. The recorded value of the asset will not change from year to year until disposal or unless the asset is materially enhanced.

3.3. Once disposed of, the asset will remain on the Asset Register as a 'disposed asset' with a displayed value of "nil". The disposed asset will remain on the Fixed Asset Register for two years after disposal and will then be deleted.

3.4. The commercial concepts of depreciation, impairment adjustment and re-evaluation are not required for this method of asset valuation in relation to Audits.

4. LONG-TERM INVESTMENTS

4.1. On acquisition, long-term investments will be recorded in the cash book as expenditure. Any asset created in this way should also be recorded on the asset register at its purchase cost.

4.2. Where THE COUNCIL acquires an investment with a fixed maturity date (for example, a three-year savings bond), the investment will be accounted for as expenditure in the year and also as an increase in assets and long-term investment until its maturity. At maturity, the total (gross) proceeds should be recorded as income.

4.3. Any transaction costs will be recorded as expenditure. At maturity, the original acquisition value of the investment asset (which will remain unchanged over its term for the purposes of the Annual Governance and Accountability Return) will be removed from the Asset Register.

4.4. Long-term investments will be recorded in the asset and investments register at original cost at acquisition (the purchase price) which for accounting purposes will remain unchanged until disposal. It is recognised that the market value of long-term investments may change over time; therefore, at each year end, the RFO will make a note in the asset register of the notional market value of each investment as at 31 March to inform readers. However, any real gain or loss compared to purchase cost will only ever be accounted for at the time of disposal when the total proceeds from the investment will be treated as income.

4.5. Any dividend or interest payments received during the year from investments will be recorded as income. Where the Council has made a contract to the effect that any dividends or interest receivable from an investment are 'rolled up' and only paid to the authority on the maturity of the investment (for example, as may be the case with certain fixed-term bonds), the 'rolled up' dividend and/or interest will only be reported as income if it has actually been received, that is, on the maturity of the investment.

5. THE ASSET REGISTER

5.1. The Council's Fixed Asset Register will contain the following information:

- 5.1.1. Type of asset e.g.: buildings, land, street furniture etc.
- 5.1.2. A description of the asset (and picture link)
- 5.1.3. The location of the asset and custodian if applicable
- 5.1.4. Purchase / acquisition date and cost
- 5.1.5. The replacement value for insurance purposes
- 5.1.6. Disposal date and the disposal amount realised from the sale (if applicable)

6. FINANCING OF NEW ASSETS

6.1. The Council will consider the acquisition of new assets and the maintenance requirements of its current assets on a regular basis, and at a minimum of once a year. When the requirement for any new asset has been identified, the Council will consider a range of funding sources including:

- 6.1.1. the Precept
- 6.1.2. earmarked reserves

6.1.3. a grant including s106/CIL or similar roof based taxation
6.1.4. sponsorship
6.1.5. a donation
6.1.6. a loan (It is a requirement of a Public Works Loan that the community has been engaged with to fully understand the implications of developing the asset by means of taking out a loan)

6.2. The Council will consider and investigate all requests from the electorate for the purchase of new assets or improved equipment.

7. ASSET INSPECTION AND MAINTENANCE

7.1. All assets listed on the Asset Register will be inspected and reported on annually.

7.2. Assets are required to be maintained to a satisfactory standard to ensure serviceability, prolong usable life, and reduce the possibility of increased repair costs.

7.3. Asset maintenance action will require the prior approval of the relevant Committee who will refer any costs which exceed their spending limits to the Council. No asset will be maintained beyond its reasonable useful life term.

8. IDENTIFICATION OF SURPLUS ASSETS

8.1. As part of the annual asset review, the Council will determine whether any current asset is surplus to needs and, if found to be so, will take appropriate action to dispose of the asset.

9. SUSTAINABILITY

9.1. The Council will consider ways to reduce the service costs of an asset, increase income from an asset and share assets or services for the benefit of the community wherever it is lawful, possible, and appropriate to do so.

10. DISPOSAL

10.1. The authority to dispose of assets either by destroying or selling the item, will lie with the Council, on recommendation by the Clerk.

10.2. Any revenue generated from the disposal of an asset will, in normal circumstances, be credited to the cost centre from which the original asset was funded.