

Assets Register

Ardleigh Parish Council meeting 11 March 2024

1 Introduction

Annual updates to the Ardleigh Parish Council Assets Register have been undertaken largely as a paper exercise in recent years using the earlier version and any acquisitions during the year to make changes. There has been a vague plan to map all assets (using Parish Online) and check that everything is still in place, together with an assessment of the condition/remaining life of the assets but this has not become a priority. Assets are recorded at purchase price where this is known.

There is a separate list for insurance purposes- based on replacement value, this has had only minimal changes when large items have been purchased. An update of this would also be beneficial to ensure there is adequate cover.

An updated cover sheet for the Asset Register, plus the associated itemised list is attached.

2 Guidance on Asset Registers for Smaller Authorities

Please see below for extracts from Joint Panel of Accountability and Governance Practitioner's Guide March 2023 <https://www.nalc.gov.uk/library/our-work/jpag/3859-practitioners-guide-2023/file>. This is the guidance we are expected to adhere to when preparing the Annual Governance and Accountability Statement, and year end processes.

'Fixed assets and equipment:

5.56. An asset register is the starting point for any system of financial control over tangible assets as it:

- facilitates the effective physical control over assets*
- provides the information that enables the authority to make the most cost-effective use of its capital resources*
- supports the AGAR entry for fixed assets by collecting the information on the cost or value of assets held*
- forms a record of assets held for insurance purposes.*

5.57. The key information needed in the asset register is: date of acquisition, cost of acquisition, useful life estimate and location along with value held for investments.

5.58. Assets should be first recorded in the asset register at their actual purchase cost.

5.59. Assets that are either under construction or have not been brought into use should be included on the asset register only once complete and they benefit the community.

5.60. Obsolete assets that are no longer in use or are awaiting disposal should be clearly recorded as such.

5.61. Where an authority receives an asset as a gift at zero cost, for example by community asset transfer, it should be included with a nominal one-pound (£1) value as a proxy for the zero cost.

5.62. Assets that do not have a functional purpose or any intrinsic resale value (for example, a village pond or war memorial) are often referred to as 'community assets'.

Authorities should record community assets in the asset register in the same way as gifted assets.

5.63. The particular method of asset valuation is not specified in proper practices so authorities may use any reasonable approach to be applied consistently from year to year. The method of asset valuation adopted should be set out in a policy approved by the authority and recorded in the authority's minutes and in the asset register.

5.64. For authorities covered by this guide, the most appropriate and commonly used method of fixed asset valuation for first registration on the asset register is at acquisition cost. This means that the recorded value of the asset will not change from year to year, unless it is materially enhanced.

5.65. Commercial concepts of depreciation, impairment adjustments, and revaluation are not required nor appropriate for this method of asset valuation.

5.66. The total value of an authority's assets recorded on the asset register as at 31 March each year is reported at Line 9 on the authority's AGAR. Authorities should be able to track and explain fully any changes in the asset register from year to year'

3 Charity Assets

There is no full asset register for the Village Hall. Treatment of assets belonging to charities associated with the Parish Council is outlined in the JPAG Practitioner Guide 'The value of trust property must not be shown in the authority's books of account and on the AGAR as authority property' 5.115.

This suggests that our treatment of assets of the Village Hall is probably correct however there are assets treated as belonging to the PC situated on the Recreation Ground (and also some assets listed at Millennium Green and the Church). We may want to seek advice from our auditors to ensure that everything is covered and listed correctly.

4 Recommendations

The Council is asked to

- 1) Approve the Register of Assets as of 9 March 2024.
- 2) Confirm that the Clerks should seek guidance from the internal auditor/ insurers regarding treatment of charity assets and assets on charity land for both AGAR and insurance purposes. Note that church walls and dates are listed in the register from 2018.
- 3) Consider sharing responsibility for checking and updating the list of assets - by locating and visually checking each item, recording its exact location using what3words and taking photographs to be returned to the admin email. Noting any safety or other concerns, This would allow us to collate the information while sharing the load of conducting the inspections. Volunteers welcome.
- 4) Note that play equipment is already checked and photographed during the annual inspections so this would be the lowest priority for this exercise.

Rachel Fletcher
March 2024