



Fermanagh & Omagh
District Council
Comhairle Ceantair
Fhear Manach agus na hÓmaí

Appendix 1

Asset Management Policy

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Contents

Introduction	2
1. Aim	3
2. Scope	3
3. Definitions	3
4. Objectives	3
5. Policy Responsibility	3
6. Review	3
7. Capital Assets	4
8. Tagged Assets	6

Introduction

The purchase of an asset represents an investment being made by Fermanagh and Omagh District Council to contribute towards the service delivery to the public.

Given the significant level of investment which has been made in assets by both legacy Councils of Fermanagh District Council and Omagh District Council and the continued investment which will take place by Fermanagh and Omagh District Council, it is essential that assets are procured, recorded, accounted for, maintained and secured in a manner which will maximise the benefit the Council will derive from the asset.

It is the responsibility of each staff member to safeguard assets from loss or damage and each responsible officer must apply appropriate routine security practices to ensure that security of the assets are maintained.

Each department also has a responsibility to ensure that records maintained in relation to assets are an accurate reflection of the current asset holding. It is therefore vital that departments take responsibility in furnishing the Finance department with accurate information regarding any asset additions, disposals or transfers.

It is the responsibility of the Finance department to ensure that assets are accounted for in the appropriate manner for the purpose of financial reporting.

1. Introduction

The purpose of this Policy is to document the Council's approach to the acquisition, maintenance, disposal and recording of its Capital and Tagged assets. The Policy is supported by detailed financial procedures.

2. Scope

This Policy applies to all employees of Fermanagh and Omagh District Council.

3. Definitions

“Capital Assets” Items of value in excess of £3,000 which will be of long term benefit to the Council (i.e. more than one year). Includes Land and Buildings, Vehicles, plant and equipment.

“Group of Assets” – assets purchased together/in bulk, which will be of long-term benefit to the Council (i.e. more than one year) where the combined purchase price is in excess of £3,000. The combined purchase will be treated as a Capital Asset.

“Information Technology” – Items such as PCs, IT servers, routers, video-conferencing equipment, software costs, software implementation and the costs of bringing the equipment into use e.g. the cost of external consultants used to install and set-up equipment. Where the combined purchase of Information Technology is in excess of £3,000 and the combined purchase will be of long-term benefit to the Council (i.e. more than one year) will be treated as a Capital Asset.

“Tagged Assets” – Items of value in excess of £150 and below the threshold of £3,000 for capital assets and those which could be considered ‘desirable’ in nature.

4. Objectives

The objectives of this policy are to ensure that capital assets are properly acquired, recorded and accounted for and that the approach is open, clear and transparent to all.

5. Policy Responsibility

The Director of Corporate Services & Governance will have overall responsibility for the implementation of the Policy. The Head of Finance will have responsibility for the day to day operation.

6. Review

This policy will be subject to scrutiny and, from time to time, updates and re-issues will be circulated.

7. Capital Assets

a) Land & Buildings

Land & Buildings can be categorised as Operational Assets, Community Assets, Surplus Assets or Investment Properties.

The Head of Operations & Estates shall maintain a register of all land and buildings owned or occupied by the Council in a form or manner approved by the Director of Corporate Services & Governance. The records should include details of:

- the purpose for which the Council holds the property;
- the location of the property;
- extent of the land and property;
- references to drawings or maps that the Council holds;
- purchase details;
- the nature of the Council's interest in the property and any restrictions;
- rents payable or receivable by the Council;
- details of tenancies that the Council has granted;
- confirmation of registration;
- folio number;
- condition of the property; and
- valuations, rates and replacement costs.

The Head of Operations & Estates must ensure that all legal documents associated with the property are held securely.

The Capital & Treasury Accountant shall maintain a register of all land and buildings owned or occupied by the Council for the purposes of financial reporting and accounting purposes.

A reconciliation of both registers should be completed annually.

Acquisitions

The right of a Council to acquire land and to provide and maintain offices, halls or other buildings is included within Part VII the Local Government Act (Northern Ireland) 1972.

The Council shall acquire land and buildings only if the Policy & Resources Committee or other Standing Committee resolves to do so, subject to the Council ratifying this resolution.

Any acquisition must be completed in line with the Council's procurement procedures.

Disposals

According to Section 96 of the Local Government Act (Northern Ireland) 1972, unless the Department of the Environment (acting on behalf of the Secretary of State) approves otherwise, the Council must dispose of land at the best price or for the best rent or otherwise on the best terms that it can reasonably obtain.

The Council shall dispose of land and buildings only if the Policy & Resources Committee resolves to do so, subject to the Council ratifying this resolution.

Any officer wishing to dispose of land and buildings must seek approval initially from the Director of Corporate Services & Governance. The Director of Corporate Services & Governance and the relevant Director are responsible for agreeing the terms of the disposal.

b) Vehicles, Plant & Equipment

Directors/Heads of Service are responsible for:

- Ensuring that any acquisition is completed in line with the Council's procurement procedures;
- receiving any additions in their Departments;
- holding vehicles, Plant & Equipment safely and securely;
- providing means of identification on all Vehicles, Plant & Equipment;
- maintaining suitable records in a form and manner that the Director of Corporate Services & Governance has approved;
- ensuring that the same employees are not involved in requisitioning, ordering, certifying the receipt of assets and the processing of payments to creditors; and
- preparing and maintaining Departmental procedures, which must clearly define who has the responsibility to authorise additions and disposals of Vehicles, Plant & Equipment.

The Capital & Treasury Accountant is responsible for maintaining the register of all vehicles plant & equipment owned, acquired and disposed of by the Council on an annual basis.

c) Heritage Assets

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and Culture.

The Council's Heritage Assets are held mainly in the Enniskillen Castle Museum ('the Museum') as well as several pieces of Public Art held at various Council buildings.

Acquisitions of Heritage assets are made by purchase or donations. Acquisitions are initially recognised at cost and donations are recognised at valuation provided by external valuers and in accordance with the Council's policy on revaluations.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

The Council will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment.

Accounting Treatment

Assets should be accounted for in line with The Finance Act (NI) 2011, CIPFA's Code of Practice on Local Authority Accounting and Departmental Circulars which may be issued from time to time.

All asset registers should account for the following adjustments and amendments as well as additions & disposals:

- Depreciation:
 - This should be charged on an annual basis in line with Council accounting policies.
- Revaluations - Under the Code of Practice:
 - Investment Properties should be revalued annually;
 - Land & Buildings should undergo a full revaluation at intervals of no more than 5 years and indices should be applied on an annual basis to account for changes in the Property Market; and
 - Heritage assets will be measured at valuation.
- Impairment:
 - Assets should be assessed annually to determine any potential impairment. Where an impairment is identified this should be recorded immediately on the asset register.

8. Tagged Assets

Each Head of Service must ensure records are maintained of all moveable assets that his/her Department holds on behalf of the Council in a form that the Director of Corporate Services & Governance has approved. This will include furniture, fittings and equipment, vehicles, plant and machinery in excess of £150 and below the threshold of £3,000 for Capital assets

Each Head of Service is responsible for ensuring an annual check is carried out of all items on the inventory listing. The Head of Service may write off any variations but must make a corresponding note in the tagged asset register. However, he/she should:

- investigate any significant variations; and
- report the matter to the Head of Finance.

Unless the Head of Service concerned specifically directs otherwise, then his/her staff must not:

- remove from Council premises property that the Council owns or leases other than is necessary for conducting normal Council business; and
- use such property for purposes other than conducting normal Council business.

Departments must dispose of surplus and obsolete items by competitive tender or public auction unless:

- of a minimal value; or
- the Director of Corporate Services & Governance decides otherwise.