

## **Policy**

### Fixed Asset

#### **1. Purpose**

- 1.1 To allow the council to maintain a register of its fixed assets.

#### **2. Fixed asset register**

- 2.1 A fixed asset register is an important component in the control of the council's assets.
- 2.2 The register:
  - 2.2.1 facilitates effective physical control over assets
  - 2.2.2 provides information that allows the council to make the most cost-effective use of its capital resources
  - 2.2.3 helps to ensure assets aren't overlooked, underutilised or used inefficiently
  - 2.2.4 forms a record of assets held for insurance purposes
  - 2.2.5 supports the completion of the annual return entry for capital assets by holding the relevant information in one place.

#### **3. Treatment of assets**

- 3.1 A fixed asset is a physical item, e.g., land, buildings, equipment, plant and vehicles, purchased by the council, which has a cost of £1,000 or greater, has a useful life of more than one year and has a re-sale value before the end of its life.
- 3.2 A fixed asset is fully expended in the year of acquisition or disposal.
- 3.3 If the purchase cost of an asset is not known, an estimate will be applied.
- 3.4 The acquisition of a fixed asset requires a purchase order and procurement must be in accordance with the council's financial regulations.
- 3.5 If the basis of fixed asset valuation is changed, the change should be applied consistently to all fixed assets.
- 3.6 A fixed asset will be maintained to maximise its useful life.

#### **4. Review**

- 4.1 This policy will be reviewed in February 2019 or sooner if there are changes in legislation or best practice.

**Implementation date:** 3 February 2016

**Review Date:** February 2018

Keith Wilson  
Finance manager  
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