

SALISBURY CITY COUNCIL

Report

Subject : Asset Capitalisation Policy
Committee : Finance and Governance Committee
Date : 10 January 2022
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1. Report Summary

1.1. This report presents a new policy to the Council following the audit finding of the Interim Internal Audit undertaken in September 2021 that the Council does not have a capitalisation and asset removal policy.

2. The Fixed Asset Capitalisation Policy

2.1. The Interim Internal Audit recommended that the Council would benefit from a capitalisation policy and an asset removal policy, to give clear guidance of when assets are added or removed from the Asset Register, and to ensure that the Finance and Governance Committee are aware of assets being removed and the reasons for this.

2.2. The principal risk to the Council of not having a capitalisation and removal policy is that it may not be able to evidence the criteria used for the addition and removal of assets from the Asset Register.

2.3. The policy being presented provides descriptions of the Scope of the Asset Register, the Valuation of Assets for inclusion in the Asset Register and the Disposal or End of Life Assets for removal from the Asset Register.

2.4. Where reference has been made in the Policy to guidance, these are detailed in the Annex to the Policy.

3. Recommendation:

3.1. It is recommended that Councillors adopt the Fixed Asset Capitalisation Policy.

4. Wards Affected: All

5. Background Papers:

5.1. Fixed Asset Capitalisation Policy with Annex A – Governance and Accountability for Local Councils: A Practitioner's Guide (England) 2021 - Extracts