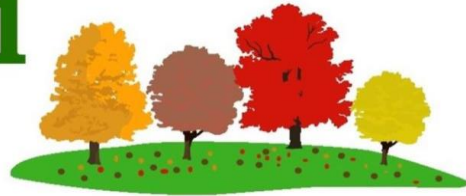


Sunningwell

Parish Council



[Agreed by the Parish Council on 30th January 2025]

Minute 15/25

ASSET VALUATION POLICY

Sunningwell Parish Council (SPC) treats Fixed Assets in line with the requirements of the current edition of the Joint Panel on Accountability and Governance Practitioners' Guide (The Guide).

The March 2024 edition of The Guide requires that:

- SPC maintains a formal Asset Register and updates it routinely to record new assets at cost price, net of VAT and removes any disposed of/no longer serviceable assets
- SPC physically verifies the existence and condition of high value, high risk assets annually
- SPC keeps addition and disposal records which allow year-to-year tracking
- The Asset Register contains in the date of acquisition, cost of acquisition, useful life estimate and location.

The Guide recommends that:

- The Asset Register shows insurance value, replacement value, custodian and date last physically vouched
- The Asset Register is compared with the insurance schedule to ensure that all assets as recorded are appropriately insured or “self-insured” by SPC.

Valuation of Assets

SPC's Asset Valuation Policy is that:

- Assets are recorded in the Asset Register at their actual acquisition cost
- Assets that are either under construction or have not been brought into use are included on the Asset Register only once complete and benefiting the community
- Assets received as a gift at zero cost are included with a nominal one-pound (£1) value
- Assets that do not have a functional purpose or any intrinsic resale value are recorded in the Asset Register in the same way as gifted assets
- Commercial concepts of depreciation, impairment adjustments, and revaluation are not applied
- Obsolete assets that are no longer in use or are awaiting disposal are clearly recorded as such in the Asset Register
- Removal of assets from the Asset Register requires agreement of the council at a minuted SPC meeting.

All of the above are in accordance with The Guide and are to be applied consistently from year-to-year.

De minimis Criteria

SPC is required choose and justify appropriate criteria for deciding between fixed assets and general consumables.

By adopting the January 2025 version of this Policy SPC sets the de minimis criteria as:

- Value: >£100, and
- Expected useful life: > 1year

Items which satisfy both of these criteria are required to be entered onto the Asset Register.

Items which fall below one or both of these criteria may be included on the Asset Register where it makes sense to do so.

The financial criterion is justified as being an easily-applied number representing a small fraction (approximately 0.3%) of the council precept.

The lifetime criterion is justified as being in-line with common practice.

These de minimis criteria are reviewed annually in a minuted SPC meeting.

Vouching and Reporting of Assets

Vouching of Assets is carried out annually and reported to the council.

Assets are published on the SPC website.

Reporting of Assets on the AGAR is in accordance with the Guide.