

for Slough Borough Council

review of assetmanager.net data with findings and recommendations

November 2018

Version 1.1



Version No	Date	Amended By	Notes
1.0	10 October 2018	L Conway - CIPFA	Initial Creation
1.1	08 November 2018	L Conway – CIPFA	Added Appendix A (Findings)
1.2	13 November 2018	L Conway – CIPFA	Added further details to Appendix A (Findings) including comparison between BRB (used in Statement in Accounts) and current AssetManager.NET reports.
1.3	28 November 2018	L Conway – CIPFA	Added further details to the “Advise” section for “Asset Listed within the AssetManager.NET system, and also added further details to the existing appendices and added appendices for “Infrastructure”, “Surplus”, “Assets Held for Sale”, “Heritage” and “Intangible” assets.

DRAFT

AssetManager.NET recommendations

This document is purely advisable and has been requested by Mathew Crosby, Interim Head of Reporting, who has been tasked with closedown of accounts.

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System Security

- Review current users and amend permissions accordingly, amending the roles and the specific user permissions as required, including access to the Administration areas of each applicable module.
- Review the users who have access to the Security Module. Ensure that the minimum number of users have access to the Security Module but it is recommended at least 2 users should have access to the Security Module.

Administration Lists

- **Category Division / Sub Category**

At present, there are several Categories which appear to have very similar Category Divisions, e.g. Category "Assets Under Construction" has Category Divisions "Asset Under Construction" and "Assets Under Construction".

It is advised to review the Category Divisions and Sub Categories and to remove any unneeded category divisions / sub categories. This will make filtering by Category / Category Division / Sub Category more effective and will help alleviate confusion and human error when reporting and assigning assets to category divisions / sub categories.

- **Committee / Sub Committee**

The "Committee" / "Sub Committee" fields are asset group fields used in reports. It is advised to review these and to ensure that the committees / sub committees within the AssetManager.NET system are structured in the most useful way for reporting assets.

Note – the "Committee" and "Sub Committee" fields are used within most of the modules within the system and therefore there should be an agreed consensus between departments regarding the best "Committee" and "Sub Committee" structure held within the AssetManager.NET system.

- Other Administration lists should be reviewed and amended as appropriate, e.g. Valuer, Ward, Parish etc.
- Housing Archetypes should be reviewed and amended as appropriate to match those required by the authority for housing valuations.

Reviewing and amending the administration lists will provide further analysis of data within the reports.

Revaluations / Enhancements

- There is functionality within the AssetManager.NET system which sets the order in which the system processes revaluations and enhancements if they have the same transaction date. This is a setting which will affect the whole of the financial year in which it set and all subsequent financial years. It is advised that this is reviewed and amended prior to any transactions being entered within the financial year. If transactions have been entered, it is advised that the setting is revised and amended, if necessary, after the year-end rollover has been performed.

- It is recommended that the authority has a clear policy that agrees to the way that valuations are undertaken. The authority should also have a clear policy as to This should be clearly explained to the authority's auditors to show that enhancements are correctly treated in the accounts.

Asset References

- It is advised that all asset references are unique. At present there are some building assets with the same asset reference as that of the associated land. There are also some council dwellings units which, even though they are in different housing groups, have the same unit reference.

A lot of authorities use a suffix/prefix of "L" and "B" to identify between a land and a building asset. This makes it clear on the detailed financial reports and journals which are the land asset and which are the building asset.

Using a unique reference for council dwellings helps ensure that each asset is easily identifiable.

However, upon deciding upon the asset referencing policy, the references of all assets should be in a consistent format.

Asset Names

- It is advised that all asset names should be agreed on with all departments who utilise the AssetManager.NET. The main asset name should be one that it is more commonly known by. If an asset is known by another name/description, within the Core, a property and a building asset can have an "Alternative Name" entered which can be searchable by within the Core module.
- It is recommended that the description for council dwelling assets match those in the HRA list.

Life Expectancies

- It is advised that there is consistent approach to asset lives. The AssetManager.NET uses the "Useful Life" to calculate depreciation within the system. However, for Land, most users use a life expectancy of 999 years. For Buildings, PVE and Council Dwelling assets, these should be depreciated over the life expectancy within the authority's policy. This should be consistent within each type of asset.

At present, within the authority's AssetManager.NET data, there appears to be land assets with life expectancies of 999, 0, 1, 30, 32, 34, 35, 42, 46, 48, and 99 years life expectancy. Whilst this will not affect any depreciation charge, it is advisable to have a consistent approach.

The PVE assets within the authority's AssetManager.NET data have life expectancies of 0, 1, 3, 5 and 7 years. It is advisable to have a consistent approach as per the authority's policy.

Building assets within the authority's AssetManager.NET data have various life expectancies ranging from 0 life expectancy to 999 years life expectancy. This includes building assets within the categories of "Land & Buildings". It is advisable that these be reviewed and amended to a consistent approach as per the authority's policy.

There are several council dwelling assets which have 0 life expectancy. These should be reviewed and amended as appropriate.

It is advisable review the life expectancies of all assets and amend them to have a consistent approach. The “Asset Life and Residual Value” report within the Capital Accounting – Reports menu would be a useful report to review the assets.

Depreciation Setting for Assets

- There should be a logic approach to setting an asset to depreciation and by which depreciation method based upon the type of asset and the asset’s Category.

Within the authority’s AssetManager.NET data, there appears to be approximately 115 land assets (other than Infrastructure) which are set to depreciate by straight line. Most of these have either no value, or a life expectancy of 999 years. However, there are several which have a life expectancy and value which has meant that the system has calculated some depreciation against the land asset. These should be reviewed and amended as necessary.

Within the authority’s AssetManager.NET data, there appears to be several building assets within the category of “Land & Buildings” which have a value but are not set to depreciate. This will affect the depreciation calculation within the balance sheet and journals.

There are several council dwelling assets which appear to indicate that they are “Land” assets, however these are set to depreciate. There are also several council dwelling assets which appear to indicate that they are “Building” assets which are set not to depreciate.

It is advisable that the asset depreciation settings are reviewed and amended as appropriate to the type of asset and the asset’s category to ensure that the correct depreciation is calculated against each appropriate asset. The “Asset Life and Residual Value” report within the Capital Accounting – Reports menu would be a useful report to review the assets.

Components – recognising components

- The Code of Practice and LAAP 86 states that assets must be reviewed for componentisation (more than land and building split) when there is an Acquisition, Enhancement or Revaluation. Assets should be considered for componentisation where the value of the asset is significant within their portfolio. Any part of the asset which has a material difference in life expectancy and cost (or equivalent) should be considered to be depreciated separately as a component, e.g. plant equipment within a leisure centre.

If an asset is componentised (more than land and building split), then the structure should be considered the main building asset (the “Host” asset), and the items identified to be depreciated separately to that of the structure should be separated out from the structure as components.

Currently within Slough Borough Council’s AssetManager.NET data the Land is identified as a separate asset. However, the Building is split into components where the Structure is identified as a “Component”, and it appears “Electrical and Roof” are identified as the main Building asset (the “Host”).

An example of the current componentisation structure is below:-

Current structure in AssetManager.NET

Asset Type	UPRN	UBRN	Component Ref	Component Type	Description	Life	GCA / Cost
Land	7005				Montem Sports Centre	999	£ 1,263,900
Building	7005	7005			Montem Sports Centre	35	£ 2,432,880
Component	7005	7005	7005CP4	Structure Heating and Assoc	Montem Sports CentreCP4	60	£ 6,359,070
Component	7005	7005	7005CP5	Systems	Montem Sports CentreCP5	20	£ 2,012,640
Component	7005	7005	7005CP6	External	Montem Sports CentreCP6	60	£ 1,774,410
TOTAL	7005				Montem Sports Centre		£ 13,842,900

If all revaluation gains/losses are to be calculated against the "Structure", this asset/component data structure will make entering revaluations against the asset more complicated. This is due to the system defaulting to calculate all gains/losses against the main ("Host") asset. Revaluation gains / losses may be calculated against components by adding the revaluation through the user interface or by editing an existing revaluation through the user interface.

We would recommend that the building elements are revisited and a more consistent and appropriate policy is adopted.

Structure in Valuation report (proposed new structure of asset)

Asset Type	UPRN	UBRN	Component Ref	Component Type	Description	Life	GCA / Cost
Land	7005				Montem Sports Centre	999	£ 1,263,900
Building	7005	7005			Montem Sports Centre (structure)	60	£ 5,660,550
Component	7005	7005	7005CP1		Montem Sports Centre (externals)	60	£ 2,138,430
Component	7005	7005	7005CP2		Montem Sports Centre (heating)	20	£ 1,761,060
Component	7005	7005	7005CP3		Montem Sports Centre (electrical)	35	£ 1,761,060
Component	7005	7005	7005CP4		Montem Sports Centre (roof)	35	£ 1,257,900
Component	7005	7005	7005CP5		Montem Sports Centre (lift)	25	£ -
TOTAL	7005				Montem Sports Centre		£ 13,842,900

The Componentisation functionality within the AssetManager.NET is for depreciation. Currently the electrical and the roof components both have a life expectancy of 35 years, and therefore both of these aspects of the asset could be merged into a single component. However, these components could be kept separately if preferred as they are a completely different type of component and may need to be replaced at different times.

However, if any the asset is not deemed significant in value, and/or any aspect of the asset is not deemed material in either difference in life expectancy and/or value/cost, then it may not be necessary to componentise the asset more than a land and building split.

Within the Code of Practice and LAAP 86, Enhancements, Acquisitions and Revaluations should trigger a review of the asset for possible recognising components/de recognising components.

Please refer to the Code of Practice and LAAP 86 for further guidance on componentisation.

Componentisation of assets should be as per the authority's componentisation policy.

Revaluing assets with components

- Within LAAP 86 it is suggested that any revaluation gain/loss should be recorded against the "Host" (Structure") asset and components (e.g. plant) should be held at cost or equivalent.

Within the AssetManager.NET, therefore, components are defaulted to not be included within the revaluation adjustments when a new revaluation is entered either through the user interface or via the revaluation spreadsheet upload.

The AssetManager.NET system does have the facility to include components within the revaluation adjustments and for the system to therefore calculate a revaluation gain / revaluation loss against components. However, for the components to be included within the revaluation adjustments the revaluation must either be entered manually through the user interface, or edited manually through the user interface after the revaluation has been imported successfully.

Assets Listed within the AssetManager.NET system

- It is suggested to review the list of assets and ensure that all Fixed Assets and Intangibles are held within the AssetManager.NET system within the appropriate category. It is also suggested that leased assets are reviewed with the view of adding in any leased assets which will be required to be reported on the balance sheet with regards to IFRS 16.
- It is suggested to review the list of assets which are marked "Valuation Not Required". These assets will not be reported within the financial reports and journals within the Capital Accounting module. As such, any of these assets which have been sold should be removed or amended within the AssetManager.NET system.

AssetManager.NET Capital Accounting/Valuation Asset Exceptions Report

- When the Capital Charge calculation (recalculates values at Cost Centre level) is performed within the Capital Accounting module, the system performs the checks against assets and reports the following:-
 - 1 **Assets with no value / life expectancy**
The current financial year in AssetManager.NET system has
 - 11 pages of land/building assets;
 - 1 page of housing assets;

- 1 page of PVE assets

Which lists assets with either no life expectancy and/or no value.

All assets which are not marked “Valuation Not Required” should have a value and a life expectancy. Especially those which should be depreciating.

Assets which have no value and no life expectancy, it is assumed that these are not required for financial reporting on the balance sheet and therefore can be excluded from the exception reports by setting them as “Valuation Not Required” within the Valuation module.

Assets which are marked as “Valuation Not Required” will be excluded from all reports and journals within the Capital Accounting module (including Exception reports and Balance Sheets).

2 **List of Under / Over Utilised Assets**

The current financial year in AssetManager.NET system has

- 6 pages of assets which are under / over utilised by CIES Cost Centres.

All assets should be 100% utilised by CIES Cost Centres as it is through the Cost Centres any DR/CR to the CIES is made within the journal.

3 **Assets with Negative GCAs**

No assets currently reported within this section.

4 **Assets with Negative NBVs**

No assets currently reported within this section.

5 **Assets with Impairment Loss greater than NBV**

No assets currently reported within this section.

6 **Negative Balance on Revaluation Reserve**

The current financial year in AssetManager.NET system has

- 1 page of assets which have a negative balance on the Revaluation Reserve cfw.

All assets must have either £0 balance on the Revaluation Reserve or a positive balance.

There are currently two assets with a negative Revaluation Reserve. These assets must have £0 or a positive Revaluation Reserve prior to performing the year-end rollover.

7 **Assets Held for Sale – Gains Exceeding Previous Losses**

No assets currently reported within this section.

8 **Non Assets Held for Sale Assets with Negative HC NBVs**

The current financial year in AssetManager.NET system has

- 1 page of assets which have a negative HC NBV.

All assets must have either £0 or a positive HC NBV. These assets must be resolved prior to the year-end rollover.

9 **HC Residual Values do not match Calculated Values**

The current financial year in AssetManager.NET system has

- 1 page of assets which have a HC Residual Value which does not match the Calculated HC Residual Value.

Although none of the assets listed in this section within the current financial year are depreciated, and the difference between the HC Residual Value and the calculated HC Residual Value is £1, it is advisable to amend any asset to ensure that they have the appropriate CV and HC Residual Values.

For assets which are not depreciated, such as those listed within this section, it is questioned as to why these have residual values.

It is advisable to simplify data, ensure that the exception report is kept to a minimum, that assets which are not depreciated have no residual value unless for required for another purpose.

Items 3 to 8 inclusive, any assets listed within these sections must be resolved prior to performing the year-end rollover. These sections will also mean that incorrect journal entries and balance sheet reports will be produced by the AssetManager.NET.

Items 1, 2 and 9, any assets listed within these sections, should be resolved prior to performing the year-end rollover. However, if the year-end rollover is performed with assets listed within these sections not resolved, this may result in incorrect depreciation and DR/CR to the CIES.

The Exception Report should be run on a frequent basis to ensure that all asset issues listed on the Exception Report are resolved.

Year-end Process

- It is advised that the Depreciation and Capital Charge calculations are run and then journals, balance sheets and other appropriate reports are created and checked prior to Year-End and Audit. If any amendments are to be made, as appropriate to the Authority's Audit, that the Depreciation and Capital Charge calculations are re-run, and then then journals, balance sheets etc are re-created.
- It is advisable that only selected users have access to the functionality of performing the year-end rollover and running the Depreciation and Capital Charge calculations.

Appendices

Appendix - Findings

The following is a list of findings whilst reviewing the data within Slough District Council's live AssetManager.NET data for the financial year 2017/18 (current financial year).

Appendix A.1 – Big Red Button report (May 2018) and current AssetManager.NET report comparison

- A.1.1. A comparison was made between the detailed asset report (Detailed PPE Balance Sheet) from the Big Red Button system which was used in Slough's 2017/18 Statement of Accounts, and the current 2017/18 Detailed PPE Balance Sheet from the authority's AssetManager.NET system.
- a. **Housing** – it was found that there was a net difference between the two reports of £2.2M for the NBV cfw. This included:-
 - i. £-21K difference on the Acc Depreciation / Impairment WO
 - ii. £19K difference on the Revaluation RR
 - iii. £-2.3M difference on the Revaluation IE
 - iv. £-2.3M difference on the GCA cfw
 - v. £-42K difference on the Depreciation in Period
 - vi. £21K difference on the Acc Depreciation / Impairment cfw
 - b. **PPE Non Housing** – it was found that there was a net difference between the two reports of £-3.76M for the NBV cfw. This included:-
 - i. £-317K difference on the Acc Depreciation / Impairment WO
 - ii. £2M difference on the Revaluation RR
 - iii. £-5.7M difference on the Revaluation IE
 - iv. £-4M difference on the GCA cfw
 - v. £-35K difference on the Depreciation in Period
 - vi. £281K difference on the Acc Depreciation / Impairment cfw
 - c. **Investment Properties** – there appeared to be no differences between the totals for Investment Property Balance Sheet between the BRB balance Sheet and the current AssetManager.NET system.
 - d. **Movements on Revaluation Reserve** – it was found that there was a net difference between the two reports of £2,033,885.46 for the Revaluation Reserve cfw. This included:-
 - i. £141K difference on Revaluation Reserve bfw
 - ii. £2M difference on Upward Revaluation
 - iii. £-3K difference on Downward Revaluation
 - iv. £-7K difference on Difference in Depreciation
 - v. £-141K difference on Disposals
 - e. **HRA / GF** – it was found that there were no assets within the authority's AssetManager.NET system which were marked as HRA. Whilst this does not affect the PPE note, the journals and, within the next release of the AssetManager.NET system, the HRA reports will not be correct.

Appendix A.2 – Housing Assets

- A.2.1. Differences between AssetManager.NET PPE Balance Sheet and BRB PPE Balance Sheet is included in Appendix note A.1.1. above.

- A.2.2. It was found that there was a difference of £-19K between the AssetManager.NET and BRB Movement of Revaluation Reserve report for the Balance of Revaluation Reserve Cfw. This included:-
- £24K difference on Upward Revaluation
 - £-5K difference on Downward Revaluation
- A.2.3. It was found that there were 14 Council Dwelling assets with a NBV bfw of £821K which had a unit reference suffix "B", but was set to not depreciate at the bfw position of the current financial year.
- A.2.4. It was found that there were 2 Council Dwelling assets with a NBV bfw of £382K which had a unit reference suffix "B", indicating that they were building assets, but was set to not depreciate at the cfw position of the current financial year.
- A.2.5. It was found that there were 9 Council Dwelling assets with a NBV cfw of £937K which had a unit reference suffix "B" which was set not to depreciation at the bfw position of the current financial year and the depreciation flag was changed via a Category Transfer transaction (to the same category details) within the financial year. This has resulted in depreciation being calculated for only part of the financial year to the total of £4,685 depreciation for the year for these assets instead of approximately £68K depreciation for the year for these assets.
- A.2.6. It was found that there were inconsistencies with the Sub Categories for Council Dwelling assets with a unit reference suffix "B". There were 14766 units with a sub category of "Council Houses" and 166 units with a sub category of "Council Dwellings".

Category	Sub Category	Unit Count
Council Dwellings	Council Houses	14766
Council Dwellings	Council Dwellings	166

- A.2.7. It was found that there were 2 Council Dwelling assets with a unit reference suffix "L" which was set to depreciate at the bfw position of the current financial year. However, the life expectancies of both of the land assets which are set to depreciate, have life expectancies of either 999 or 0, which therefore results in no depreciation being calculated on these assets.
- A.2.8. It was found that there were 2 Council Dwelling assets with a unit reference suffix "L" which was set to depreciate at the cfw position of the current financial year. However, the life expectancies of both of the land assets which are set to depreciate have a life expectancy of 999, which therefore results in no depreciation being calculated on these assets.
- A.2.9. It was found that there were no Council Dwelling assets had a unit reference suffix "L" which was set to depreciation at the bfw position of the current financial year and the depreciation flag was changed via a Category Transfer transaction (to the same category details) within the financial year.
- A.2.10. It was found that there were inconsistencies with life expectancies of housing units at the bfw position within the current financial year, both for units with a reference suffix "L" and a reference suffix "B".

L / B Ref Suffix	No of Assets	Life Exp	Val Required	Depreciate
	2	0	Yes	Yes
	1	0	Yes	No
B	58	0	Yes	Yes
B	5	0	Yes	No
B	1	42	Yes	No
B	2696	42	Yes	Yes
B	1	45	Yes	Yes

L / B Ref Suffix	No of Assets	Life Exp	Val Required	Depreciate
B	3386	46	Yes	Yes
B	8	46	Yes	No
B	3	50	Yes	Yes
L	64	0	Yes	No
L	1	0	Yes	Yes
L	1	42	Yes	No
L	1	999	Yes	Yes
L	6093	999	Yes	No

A.2.11. It was found that there were inconsistencies with life expectancies of housing units at the cfw position within the current financial year, both for units with a reference suffix "L" and a reference suffix "B".

L / B Ref Suffix	No of Assets	Life Exp	Val Required	Depreciate
	1	0	Yes	No
	1	43	Yes	Yes
	1	45	Yes	Yes
B	23	42	Yes	Yes
B	2702	45	Yes	Yes
B	3430	46	Yes	Yes
B	2	46	Yes	No
B	1	50	Yes	Yes
L	1	0	Yes	No
L	5	45	Yes	No
L	8	46	Yes	No
L	2	999	Yes	Yes
L	6144	999	Yes	No

It is advised that housing assets have a life expectancy consistent with the depreciation policy within the authority.

A.2.12. It was found that there were inconsistencies with the Sub Categories for Council Dwelling assets with a unit reference suffix "L". There were 11778 units with a sub category of "Land", 175 units with a sub category of "Council Dwellings", and 4 units with a sub category of "Council Houses".

Category	Sub Category	Count
Council Dwellings	Council Houses	4
Council Dwellings	Council Dwellings	175
Council Dwellings	Land	11778

A.2.13. There are 12,321 housing unit records within the Council Dwellings category within the AssetManager.NET system. Out of these records, 12,321 are indicated as General Fund assets (the HRA Flag is set to False). Whilst this does not affect the PPE note, the journals and, within the next release of the AssetManager.NET system, the HRA reports will not be correct.

A.2.14. It was found that there was 51 revaluations which were entered into a revaluation import spreadsheet, but were not imported due to validation errors. The data valuation errors were mainly "Full Disposal before Revaluation" and "Unit does not have a valuation". The total valuation of the 51 housing units which were not imported is £2.9M.

Appendix A.3 – Assets Under Construction

- A.3.1. There were no differences between the AssetManager.NET Detailed Balance Sheet and the BRB Detailed Balance Sheet for assets within this category.
- A.3.2. There were no differences between the AssetManager.NET Movement on Revaluation Reserve and the BRB Movement on Revaluation Reserve reports.
- A.3.3. It was found that there were 23 assets held within the category Assets Under Construction at the start of the financial year which were set to depreciate. Out of these, 20 were buildings and 3 were PVE components. However, all of these assets had a life expectancy of 0 years, resulting in no depreciation being calculated.

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Building	1	0	No	No
Building	5	0	Yes	No
Building	18	0	Yes	Yes
Building Component	2	0	Yes	Yes
Land	3	0	Yes	Yes
Land	58	0	Yes	No
PVE	2	0	Yes	Yes
PVE Component	1	0	Yes	Yes
Building	2	32	Yes	No
Building	1	35	Yes	No
Building	1	46	Yes	No
Building	1	999	Yes	No
Land	1	999	No	No
Land	7	999	Yes	No

- A.3.4. It was found that there were 19 assets held within the category Assets Under Construction at the end of the financial year which were set to depreciate. Out of these, 17 were buildings and 2 were PVE components. However, all of these assets had a life expectancy of 0, resulting in no depreciation being calculated.

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Building	2	0	Yes	Yes
Land	1	0	Yes	No
Building	1	0	No	No
Building	2	0	Yes	No
Building	15	0	Yes	Yes
Land	2	0	Yes	Yes
Land	40	0	Yes	No
PVE	2	0	Yes	Yes
Building	2	32	Yes	No
Building	1	35	Yes	No
Building	3	42	Yes	No
Building	2	46	Yes	No
Land	1	999	No	No
Land	22	999	Yes	No

- A.3.5. It was found that there were 5 assets held within the category Assets Under Construction at the end of the financial year which have depreciation and/or losses and/or balance on Revaluation Reserve calculated. This included:-
- i. 3 assets which had a total of £4K Depreciation and Impairment cfw.
 - ii. 2 assets which had a total of £301K Revaluation Reserve cfw

Appendix A.4 – Investment Properties

- A.4.1. There are no differences between the AssetManager.NET IP Balance Sheet and the BRB IP Balance Sheet.
- A.4.2. There are no differences between the AssetManager.NET Movement on Revaluation Reserve report and the BRB Movement on Revaluation Reserve report for assets within this category.
- A.4.3. There are currently 259 assets (of which 145 are land and 114 are buildings) held within the IP category at the bfw position of the current financial year. It is assumed that all IP assets are categorised correctly at the bfw position of the current financial year.
- A.4.4. There are currently 259 assets (of which 145 are land and 114 are buildings) held within the IP category at the cfw position of the current financial year. It is assumed that all IP assets are categorised correctly at the cfw position of the current financial year.
- A.4.5. Out of the 259 assets held within the IP category, it was found that 7 of the land assets are marked as “Valuation not Required”. This means that these assets appear within the AssetManager.NET system, however, they have no value and they are excluded from all exception report, journal or financial report within the Capital Accounting module.

Appendix A.5 – Plant Vehicles and Equipment

- A.5.1. It was found that there was a total difference of £237K for the NBV cfw between the AssetManager.NET PPE Detailed Balance Sheet and the BRB PPE Detailed Balance Sheet for assets within this category. This included:-
- a. £-64K difference on Acc Depreciation / Impairment WO
 - b. £228k difference on Revaluation RR
 - c. £11K difference on Revaluation IE
 - d. £175K difference on GCA Cfw
 - e. £-2K difference on Depreciation in Period
 - f. £64K difference on Acc Depreciation WO
 - g. £62K difference on Acc Depreciation / Impairment cfw
- A.5.2. It was found that there was a total difference of £226K for the Balance on Revaluation Reserve cfw between the AssetManager.NET Movement on Revaluation Reserve report and the BRB Movement on Revaluation Reserve report for assets within this category. This included:-
- a. £141K difference on Balance on Revaluation Reserve bfw
 - b. £228K difference on Upward Revaluation
 - c. £-1K difference on Difference on Depreciation
 - d. £-141K difference on Disposals
- A.5.3. All PVE assets appear to be depreciated by Straight Line method at the bfw position within the current financial year.
- A.5.4. All PVE assets appear to be depreciated by Straight Line method at the cfw position within the current financial year.
- A.5.5. All PVE assets are not marked “Valuation not Required”. This means that all assets will appear on reports and journals within the Capital Accounting module.

- A.5.6. It was found that there were inconsistencies with the life expectancies of PVE assets at the bfw position within the current financial year. Although all PVE assets are set to depreciate and are not marked "Valuation not Required", the life expectancies of PVE assets range from 0 years to 35 years.

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
PVE	91	0	Yes	Yes
PVE	3	1	Yes	Yes
PVE	1	2	Yes	Yes
PVE	2	3	Yes	Yes
PVE	67	5	Yes	Yes
PVE	1	7	Yes	Yes
PVE Component	19	20	Yes	Yes
PVE Component	1	25	Yes	Yes
PVE Component	4	35	Yes	Yes

It is advised that the life expectancies of PVE assets are reviewed, and all new PVE assets are entered into the AssetManager.NET system as per the life expectancy policy of the authority / in a consistent basis.

- A.5.7. It was found that there were inconsistencies with the life expectancies of PVE assets at the cfw position within the current financial year. Although all PVE assets are set to depreciate and are not marked "Valuation not Required", the life expectancies of PVE assets range from 0 years to 35 years.

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
PVE	1	0	Yes	Yes
PVE	3	1	Yes	Yes
PVE	1	2	Yes	Yes
PVE	2	3	Yes	Yes
PVE	2	4	Yes	Yes
PVE	152	5	Yes	Yes
PVE	4	7	Yes	Yes
PVE Component	22	20	Yes	Yes
PVE Component	1	25	Yes	Yes
PVE Component	4	35	Yes	Yes

It is advised that the life expectancies of PVE assets are reviewed, and all new PVE assets are entered into the AssetManager.NET system as per the life expectancy policy of the authority / in a consistent basis.

- A.5.8. Using Historic Cost Details report, excluding PVE components, it was found that there were 2 PVE assets with a balance on the Revaluation Reserve bfw, totalling £141K.
- A.5.9. Using Historic Cost Details report, excluding PVE components, it was found that there were no PVE assets with a balance on the Revaluation Reserve cfw.
- A.5.10. Using the Impairment Details report, excluding PVE components, it was found that there were no Revaluation or Impairment Losses bfw, in year or cfw for PVE assets within the current financial year.

Appendix A.6 – Community Assets

- A.6.1. There are no differences found between the AssetManager.NET PPE Balance Sheet and the BRB PPE Balance Sheet for assets within this category.

- A.6.2. There are no differences found between the AssetManager.NET Movement on Revaluation Reserve report and the BRB Movement on Revaluation Reserve report for assets within this category.
- A.6.3. There are 73 assets within the category of Community which includes 3 building assets. Out of these assets 72 assets are set not to depreciate, and 1 asset is set to depreciate by straight line. However, the asset which is set to depreciate does not have a value bfw.
- A.6.4. There are 73 assets within the category of Community which includes 3 building assets. Out of these assets 72 assets are set not to depreciate, and 1 asset is set to depreciate by straight line. The 1 asset which is set to depreciate has a value of £22K cfw, and a life expectancy of 0, which means that the asset will not calculate any depreciation.
- A.6.5. There are 73 assets within the category of Community which includes 3 building assets. Out of these assets:

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Building	1	0	Yes	Yes
Building	1	35	Yes	No
Building	1	996	Yes	No
Land	2	998	Yes	No
Land	9	0	Yes	No
Land	23	996	Yes	No
Land	36	999	Yes	No

The life expectancies for these assets are the same at the bfw and cfw position within the current financial year.

Whilst the majority of the Community assets are set not to depreciate, and the 1 asset which is set to depreciate has a life expectancy of 0, it is advised that all assets have a life expectancy in order to remove the assets from the "Assets with no Value/Life Expectancy" exception report. It is also advised that the depreciation flag is reviewed for these assets.

- A.6.6. No assets within the category of Community was found to have depreciation bfw, or calculated within the financial year.
- A.6.7. It was found that there were 26 out of the 73 assets within the category of Community with a balance on the Revaluation Reserve bfw.

Appendix A.7 – Land & Buildings

- A.7.1. It was found that there was a total difference of £-3.9M for the NBV cfw between the AssetManager.NET PPE Detailed Balance Sheet and the BRB PPE Detailed Balance Sheet for assets within this category. This included:-
- £-253K difference on Acc Depreciation Impairment WO
 - £1.7M difference on Revaluation RR
 - £-5.7M difference on Revaluation IE
 - £4M difference on GCA cfw
 - £-33K difference on Dep in Period
 - £253K difference on Acc Depreciation WO
 - £220K difference on Acc Depreciation Impairment cfw
- A.7.2. It was found that there was a total difference of £1.7MK for the Balance on Revaluation Reserve cfw between the AssetManager.NET Movement on Revaluation Reserve report and the BRB Movement on Revaluation Reserve report for assets within this category. This included:-
- £1.8M difference on Upward Revaluation
 - £3K difference on Downward Revaluation
 - £-6K difference on Difference in Depreciation

A.7.3. It was found that there are a total of 709 assets and components listed under the category of “Land & Buildings” at the bfw position within the current financial year. Out of these 402 are land assets, 267 are building assets, and 40 are building components.

There are 156 assets (107 land and 49 building assets) which are marked as “Valuation not Required”, these will not appear on any financial reports or journals.

There are 3 land assets which are set to depreciate, one of which has a life expectancy of 32 years, the other two have life expectancies of 999 years. However, the one land asset which is set to depreciation and has a life expectancy of £32 years has no NBV at the bfw position of the current financial year.

There are 4 building assets which are set not to depreciate, together with 46 building assets with life expectancies of either 0 years, or over 990 years.

All building components are set to depreciate, however there are 4 building components which have 0 life expectancy which means that these assets will not calculate depreciation.

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Building	1	0	No	Yes
Building	21	0	Yes	Yes
Building Component	4	0	Yes	Yes
Land	1	0	No	No
Land	27	0	Yes	No
Land	1	1	Yes	No
Building	1	3	Yes	Yes
Building	1	6	Yes	Yes
Building	1	10	No	Yes
Building	1	14	No	Yes
Building	1	18	Yes	Yes
Building	1	19	Yes	Yes
Building	1	23	No	Yes
Building	1	23	Yes	Yes
Building	3	24	No	Yes
Building	1	28	Yes	Yes
Building	2	30	No	Yes
Land	1	30	No	No
Land	1	30	Yes	No
Building	1	32	No	Yes
Building	1	32	Yes	No
Building	13	32	Yes	Yes
Land	1	32	No	Yes
Land	2	32	Yes	No
Land	5	32	No	No
Building	2	34	No	Yes
Building	6	34	Yes	Yes
Land	1	34	No	No
Building	1	35	Yes	No
Building	14	35	No	Yes
Building	89	35	Yes	Yes
Building Component	4	35	Yes	Yes
Land	3	35	Yes	No

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Building	2	39	No	Yes
Building	5	39	Yes	Yes
Building	4	40	Yes	Yes
Building	11	41	Yes	Yes
Building	2	43	Yes	Yes
Building	4	46	Yes	Yes
Building	1	48	Yes	No
Building	28	48	Yes	Yes
Building	13	50	Yes	Yes
Building	10	60	Yes	Yes
Building Component	32	60	Yes	Yes
Building	1	996	Yes	Yes
Land	5	996	No	No
Land	9	996	Yes	No
Building	1	998	Yes	No
Land	2	998	No	No
Land	4	998	Yes	No
Building	1	999	Yes	Yes
Building	21	999	No	Yes
Land	1	999	No	Yes
Land	1	999	Yes	Yes
Land	90	999	No	No
Land	247	999	Yes	No

It is advised to have a consistent approach to life expectancies of assets and to record assets with life expectancies which meet with the Authority's depreciation policy. It is therefore advised that the life expectancy, depreciation settings, and the Valuation not Required settings are reviewed and revised as appropriate for the future calculation of depreciation, asset financial reporting, and reporting of life expectancies for assets.

A.7.4. It was found that there are a total of 716 assets and components listed under the category of "Land & Buildings" at the cfw position within the current financial year. Out of these 405 are land assets, 269 are building assets, and 42 are building components.

There are 156 assets (107 land and 49 building assets) which are marked as "Valuation not Required", these will not appear on any financial reports or journals.

There are 3 land assets which are set to depreciate, one of which has a life expectancy of 32 years, the other two have life expectancies of 999 years. However, the one land asset which is set to depreciation and has a life expectancy of £32 years has no NBV at the cfw position of the current financial year.

There are 4 building assets which are set not to depreciate, together with 46 building assets with life expectancies of either 0 years, or over 990 years.

All building components are set to depreciate, however there are 4 building components which have 0 life expectancy which means that these assets will not calculate depreciation.

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Building	1	0	No	Yes
Building	1	0	Yes	No
Building	21	0	Yes	Yes
Land	1	0	No	No

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Land	28	0	Yes	No
Land	1	1	Yes	No
Building	1	3	Yes	Yes
Building	1	6	Yes	Yes
Building	1	10	No	Yes
Building	1	14	No	Yes
Building	1	18	Yes	Yes
Building	1	19	Yes	Yes
Building	1	23	No	Yes
Building	1	23	Yes	Yes
Building	3	24	No	Yes
Building	1	28	Yes	Yes
Building	2	30	No	Yes
Land	1	30	No	No
Land	1	30	Yes	No
Building	1	32	No	Yes
Building	1	32	Yes	No
Building	10	32	Yes	Yes
Land	1	32	No	Yes
Land	2	32	Yes	No
Land	5	32	No	No
Building	2	34	No	Yes
Building	5	34	Yes	Yes
Land	1	34	No	No
Building	1	35	Yes	No
Building	14	35	No	Yes
Building	72	35	Yes	Yes
Building Component	4	35	Yes	Yes
Land	3	35	Yes	No
Building	2	39	No	Yes
Building	6	39	Yes	Yes
Building	5	40	Yes	Yes
Building	20	41	Yes	Yes
Building	1	42	Yes	Yes
Building	2	43	Yes	Yes
Building	2	45	Yes	Yes
Building	7	46	Yes	Yes
Building	1	48	Yes	No
Building	34	48	Yes	Yes
Building	13	50	Yes	Yes
Building	2	53	Yes	Yes
Building	7	60	Yes	Yes
Building Component	38	60	Yes	Yes
Building	1	996	Yes	Yes
Land	5	996	No	No
Land	6	996	Yes	No

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Building	1	998	Yes	No
Land	2	998	No	No
Land	3	998	Yes	No
Building	1	999	Yes	Yes
Building	21	999	No	Yes
Land	1	999	No	Yes
Land	1	999	Yes	Yes
Land	90	999	No	No
Land	253	999	Yes	No

It is advised to have a consistent approach to life expectancies of assets and to record assets with life expectancies which meet with the Authority's depreciation policy. It is therefore advised that the life expectancy, depreciation settings, and the Valuation not Required settings are reviewed and revised as appropriate for the future calculation of depreciation, asset financial reporting, and reporting of life expectancies for assets.

- A.7.5. It was found that there are-
- £1.8M difference on Upward Revaluation
 - £3K difference on Downward Revaluation
 - £-6K difference on Difference in Depreciation

Appendix A.8 – Infrastructure Assets

- A.8.1. There are no differences found between the AssetManager.NET PPE Balance Sheet and the BRB PPE Balance Sheet for assets within this category.
- A.8.2. There are no differences found between the AssetManager.NET Movement on Revaluation Reserve report and the BRB Movement on Revaluation Reserve report for assets within this category.
- A.8.3. It was found that there are 36 assets reported as "Infrastructure" assets within the authority's AssetManager.NET system at the bfw position of the current financial year. 1 of these assets is set not to depreciate and has a life expectancy of 999 years, this asset has a bfw NBV of £220K. As the asset is set not to depreciate and it has a life expectancy of 999 years, this asset will not calculate any depreciation. The remaining 35 assets are all set to depreciate, with one of these assets with a life expectancy of 0 years. The asset with a life expectancy of 0 years has no value.

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Land	1	0	Yes	Yes
Land	34	40	Yes	Yes
Land	1	999	Yes	No

It is advised to have a consistent approach to life expectancies of assets and to record assets with life expectancies which meet with the Authority's depreciation policy. It is therefore advised that the life expectancy, depreciation settings, and the Valuation not Required settings are reviewed and revised as appropriate for the future calculation of depreciation, asset financial reporting, and reporting of life expectancies for assets.

- A.8.4. It was found that there are 36 assets reported as "Infrastructure" assets within the authority's AssetManager.NET system at the cfw position of the current financial year. 1 of these assets is set not to depreciate and has a life expectancy of 999 years, this asset has a bfw NBV of £220K. As the asset is set not to depreciate and it has a life expectancy of 999 years, this asset will not calculate any depreciation. The remaining 35 assets are all set to depreciate over 40 years.

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Land	35	40	Yes	Yes
Land	1	999	Yes	No

It is advised to have a consistent approach to life expectancies of assets and to record assets with life expectancies which meet with the Authority's depreciation policy. It is therefore advised that the life expectancy, depreciation settings, and the Valuation not Required settings are reviewed and revised as appropriate for the future calculation of depreciation, asset financial reporting, and reporting of life expectancies for assets

- A.8.5. There are no assets within the Category of Infrastructure which are set "Valuation Not Required". Therefore, all Infrastructure assets will be reported within the financial reports and journals.
- A.8.6. There are no assets within the Category of Infrastructure which have losses or a balance on the Revaluation Reserve bfw.
- A.8.7. There are no assets within the Category of Infrastructure which have losses or a balance on the Revaluation Reserve cfw.

Appendix A.9 – Surplus Assets

- A.9.1. There are no differences found between the AssetManager.NET PPE Balance Sheet and the BRB PPE Balance Sheet for assets within this category.
- A.9.2. There are no differences found between the AssetManager.NET Movement on Revaluation Reserve report and the BRB Movement on Revaluation Reserve report for assets within this category.
- A.9.3. It was found that there are 325 assets reported as "Surplus" assets within the authority's AssetManager.NET system at the bfw position of the current financial year. 189 are land assets, 133 are building assets, 2 are building components, and 1 is a PVE Component.
There are 13 assets, all of which are land assets, which are set as "Valuation not Required", which means that these assets will not be included within the financial reports and journals within the Capital Accounting module.
There are 106 assets reported as "Surplus" which are land assets and set to depreciate, 96 of which have a life expectancy of 999 years, and 10 of which have a life expectancy of 42 years. 1 of the 10 land assets which has a life expectancy of 42 years and is set to depreciate has calculated £1K depreciation at the bfw position within the current financial year.
There are 108 Building assets reported as "Surplus" which are set not to depreciate. These 108 buildings have life expectancies ranging from 0 years to 999 years and have a total NBV bfw of £12M.

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Building	3	0	Yes	No
Building	4	0	Yes	Yes
Land	2	0	No	No
Land	32	0	Yes	No
Land	1	1	Yes	No
Land	3	1	No	No
PVE Component	1	20	Yes	Yes
Building	1	35	Yes	Yes
Building	1	42	Yes	Yes
Land	1	42	Yes	No
Land	10	42	Yes	Yes

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Building	1	46	Yes	No
Building	15	46	Yes	Yes
Building	3	48	Yes	Yes
Building Component	2	60	Yes	Yes
Land	3	998	No	No
Building	1	999	Yes	Yes
Building	104	999	Yes	No
Land	5	999	No	No
Land	36	999	Yes	No
Land	96	999	Yes	Yes

It is advised to have a consistent approach to life expectancies of assets and to record assets with life expectancies which meet with the Authority's depreciation policy. It is therefore advised that the life expectancy, depreciation settings, and the Valuation not Required settings are reviewed and revised as appropriate for the future calculation of depreciation, asset financial reporting, and reporting of life expectancies for assets.

A.9.4. It was found that there are 323 assets reported as "Surplus" assets within the authority's AssetManager.NET system at the cfw position of the current financial year. 188 are land assets, 132 are building assets, 2 are building components, and 1 is a PVE Component.

There are 13 assets, all of which are land assets, which are set as "Valuation not Required", which means that these assets will not be included within the financial reports and journals within the Capital Accounting module.

There are 106 assets reported as "Surplus" which are land assets and set to depreciate, 105 of which have a life expectancy of 999 years, and 1 of which have a life expectancy of 42 years. None of the land assets which are set to depreciate have calculated any depreciation as at the cfw position within the current financial year.

There are 108 Building assets reported as "Surplus" which are set not to depreciate. These 108 buildings have life expectancies ranging from 0 years to 999 years and have a total NBV cfw of £13M.

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Building	2	0	Yes	No
Building	2	0	Yes	Yes
Land	2	0	No	No
Land	30	0	Yes	No
Land	1	1	Yes	No
Land	3	1	No	No
PVE Component	1	20	Yes	Yes
Building	1	35	Yes	Yes
Building	2	40	Yes	Yes
Building	1	42	Yes	Yes
Building	104	42	Yes	No
Land	1	42	Yes	Yes
Building	1	45	Yes	Yes
Building	1	46	Yes	No
Building	12	46	Yes	Yes

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Building	5	48	Yes	Yes
Building Component	2	60	Yes	Yes
Land	3	998	No	No
Building	1	999	Yes	No
Land	5	999	No	No
Land	38	999	Yes	No
Land	105	999	Yes	Yes

It is advised to have a consistent approach to life expectancies of assets and to record assets with life expectancies which meet with the Authority's depreciation policy. It is therefore advised that the life expectancy, depreciation settings, and the Valuation not Required settings are reviewed and revised as appropriate for the future calculation of depreciation, asset financial reporting, and reporting of life expectancies for assets.

A.9.5. There are 13 assets within the Category of Surplus which are set "Valuation Not Required". These assets will not be included within the financial reports and journals within the Capital Accounting module.

A.9.6. There are no assets within the Category of Infrastructure which have losses or a balance on the Revaluation Reserve bfw.

A.9.7. There are no assets within the Category of Infrastructure which have losses or a balance on the Revaluation Reserve cfw.

Appendix A.10 – Assets Held for Sale Assets

A.10.1. There are no differences found between the AssetManager.NET PPE Balance Sheet and the BRB PPE Balance Sheet for assets within this category.

A.10.2. There are no differences found between the AssetManager.NET Movement on Revaluation Reserve report and the BRB Movement on Revaluation Reserve report for assets within this category.

A.10.3. It was found that there are 6 assets reported as Assets Held for Sale within the authority's AssetManager.NET system at the bfw position within the current financial year, 4 are land assets, 2 are building assets. They are all set not to depreciate and are all set as "Valuation not Required", which means that they will not appear on any financial report or journal within the Capital Accounting module.

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Land	1	1	No	No
Building	2	35	No	No
Land	3	999	No	No

A.10.4. It was found that there are 6 assets reported as Assets Held for Sale within the authority's AssetManager.NET system at the cfw position within the current financial year, 4 are land assets, 2 are building assets. They are all set not to depreciate and are all set as "Valuation not Required", which means that they will not appear on any financial report or journal within the Capital Accounting module.

Asset Type	No of Assets	Life Exp	Val Required	Depreciate
Land	1	1	No	No
Building	2	35	No	No
Land	3	999	No	No

These assets have no value. It is advised to review these assets, and if they have been disposed of, possibly to remove the assets from the AssetManager.NET system?

Appendix A.11 –Heritage Assets

A.11.1. There are no assets held within the Category of “Heritage” within the authority’s AssetManager.NET system within the current financial year.

It is advised to review this and either enter/import assets held within this category in order to have a full set of Notes produced from the AssetManager.NET for the authority’s Statement of Accounts.

Appendix A.12 –Intangible Assets

A.12.1. Within the version of AssetManager.NET (Version 7.9) which the authority’s is currently using, there is no provision for intangible assets to be reported within the Category “Intangible”. However, within version 8.x of the AssetManager.NET system, there is a module specifically for “Intangible” assets which enables the system to produce separate notes and reports for Intangible assets.

It is advised to review the PVE assets and provide a list of assets which should be reported under the category of “Intangible”. CIPFA Property can then move these assets from “Plant / Vehicles / Equipment” category to the correct category of “Intangible”. It is advised that this is done prior to any in year transactions are entered within the financial year.



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