

## **Audit Committee**

**29<sup>th</sup> September 2011**

## **Asset Register**

### **Report of Stuart Timmiss Head of Planning**



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**Ian Thompson Corporate Director of Regeneration and Economic  
Development**

**Neil Foster Cabinet Portfolio Member for Regeneration and  
Economic Development**

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#### **Purpose of the Report**

- 1 The purpose of the report is to provide an update on the development of a Single Asset Register.

#### **Background**

- 2 The Asset Manager.Net has been used by Durham County Council for the purposes of managing DCC land and property information for Asset Management and Capital Accounting purposes for the past 7 years. The Asset Manager.Net is a system developed by the Chartered Institute of Public Finance and Accounting (CIPFA).
- 3 The Asset Manager.Net contains details of the type and use of Assets, asset valuations, property survey information including Condition Surveys, Suitability and Access Audits as well as benchmarking and performance management information and Capital Accounting information.
- 4 The existing DCC Asset Register contains land and properties formerly held by Durham County Council but exclude the former district properties (except where Condition Surveys have been conducted on former district buildings). DCC ownership information has continued to be maintained in the Asset Manager.Net system. A single Asset Management system requires the inclusion of all the former district assets into the DCC Asset Manager.Net.
- 5 As the Asset Manager.Net is both an Asset Management and Capital Accounting system and as such it was critical that Assets and Finance work together sharing the same goal of a Single Asset Register for Durham County Council.
- 6 The Asset Manager.Net is used by Finance for Capital Accounting and recording details of all land and property transactions including sales,

acquisitions, depreciation and impairments and for producing year end financial reports.

- 7 In December 2009 Corporate Estates were instructed by Stuart Crowe (former Director of Resources) to undertake a valuation exercise of all former district assets to establish information on all the assets in Durham County Council's ownership following Local Government Reorganisation. The aim was to use this information to create a Single Asset Register and provide detailed property information for Capital Accounting purposes.
- 8 CIPFA provided spreadsheets referred to as the "IPF spreadsheets" which could be used for the purposes of collating the property information and load into the Asset Manager.Net system. A separate spreadsheet was created for each of the former districts. These spreadsheets are primarily Capital Accounting spreadsheets and as such have formed the basis of year end accounting.
- 9 The Valuation exercise took longer than anticipated concluding in April 2010 and unfortunately before it was completed Finance required the IPF spreadsheets in order for them to complete the 2009/10 Year End Accounts in March 2010. The spreadsheets were not returned to Assets until October 2010 when work could commence again.
- 10 The end of the Financial Accounting required the "roll-over" into the next Financial Year (2010/11). This had to be done in both the DCC Asset Manager.Net and the IPF spreadsheets. Following "roll-over" the previous valuation exercise details were then entered into what was then the 2010/11 spreadsheets. Some additional records were also identified and valued and added to the 2010/11 spreadsheets. These additional records were identified through asset management work such as Condition Surveys and the Capital and Assets Pathfinder Project.
- 11 Finance had instructed Assets to enter all the valuations and transaction into 2010/11 spreadsheets by December 2010 for accounting purposes. In addition Assets had to use the brief window to cleanse the property information in terms of Property Names, addresses, reference numbers, use and service within the spreadsheet and the DCC Asset Register (which also needed to be maintained) before the December deadline.
- 12 In the spring of 2011 the transition to the International Financial Reporting Standards (IFRS) also impacted on the work that can be done by Assets on the spreadsheets with spreadsheets being passed between Finance and Assets in order to ensure the accounts would be IFRS compliant.
- 13 Once this was completed Assets had another brief window to work on the spreadsheets until April 2011 when once again Finance requested the spreadsheets in order for the completion of the Year End Accounts 2010/11.
- 14 It is understood they will not complete this process until the end of September 2011. Until that time there is limited work which can be undertaken on the spreadsheets as the definitive spreadsheets are with Finance not Assets.

- 15 Work is continuing within Assets to improve the quality of data in the existing DCC Asset Register and producing quality checks to prepare the spreadsheet data for loading into a Single Asset Register once the spreadsheets have been returned from Finance.
- 16 On the return of the spreadsheets from Finance, Assets will then have a brief window of opportunity to make any revisions to the property details, validate the data in preparation for data loading, upload the data, apply any property transactions to the data required since April 2010, roll-over the new DCC Asset Register into 2011-12 Financial year, apply any property valuations, transactions and changes since April 2011 and prepare the data for the next Capital Accounting deadline understood to be December 2011.
- 17 While Assets and Finance have attempted to work hand-in-hand and share the same goal of creating a Single Asset Register often the requirements of Finance have taken precedence and hindered the progress and ability of Assets to create a single register.
- 18 In other areas of work Assets have made excellent progress on mapping our Assets as part of the Capital and Assets Pathfinder. The mapping process will provide new links between the land terrier and the Single DCC Asset Register extending the Pathfinder Area from Durham City to encompass the whole of County Durham enabling place-based asset management.

#### **Recommendations and reasons**

7. The report is for information purposes only.

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