

MEETING: **AUDIT COMMITTEE**

DATE: **11 MARCH 2010**

TITLE: **THE COUNCIL'S ASSET REGISTER SYSTEM (FINANCE)**

PURPOSE: **AN UPDATE REGARDING THE ABOVE PROJECT**

RECOMMENDATION: **RECEIVE THE REPORT FOR INFORMATION**

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## **1. INTRODUCTION AND BACKGROUND**

During this Committee's meeting on 28 September 2009, in the wake of the Council's 2008/09 Final Accounts report, it was reported that the Finance Department's Capital and Control Unit was in the process of implementing a new system to record the Council's assets for financial management purposes.

## **2. THE 'SORP' REQUIREMENTS**

The need for a new system emanates from changes and new requirements to the CIPFA SORP (Statement of Recommended Practice) 2007, which outlines the need to prepare and account for assets in a different way. The main changes relate to ensuring that historical costs (as well as current costs) are maintained for each asset – this then has an effect on the profit/loss calculation on the disposal of assets, and also additional details regarding impairments and enhancements.

## **3. SELECTING A SOLUTION**

The old system (on Excel format) was no longer suitable to deal with the new requirements, and it was essential to consider an appropriate system. Three appropriate systems were considered, and three suppliers were invited to present their system to a small user group.

#### **4. CRITERIA**

It was decided to proceed with the 'IPF Asset Manager.net' system which is run by a company that is wholly owned by CIPFA (the Chartered Institute of Public Finance and Accountancy). The decision was based on -

- Its suitability and capability to fulfil the relevant requirements;
- Its relationship with CIPFA and all the other traditional public sector contacts, and therefore its unique position to utilise CIPFA's research and leadership to ensure that the software adheres to financial requirements, and the ability to update in the future;
- Its flexibility for the future should the Property Service wish to opt into the system (appropriate Property modules are attached, for example Condition Survey Module, Asbestos Audit Module, Disability Access Module, Asset Management Plan Module etc);
- Price.

#### **5. DIFFICULTIES WHEN CLOSING 2008/09 ACCOUNTS**

Initial training was received from the company, with the intention of starting on the work of transferring data from the present system to the new system during the second half of the 2008/09 financial year. Unfortunately, difficulties were encountered when the company attempted to map the data between the two systems which led to a delay in the original timetable. As a result, it was necessary to close the 2008/09 accounts with the old system.

#### **6. UPDATE**

Following the 2008/09 closure of accounts process with a new appointment in a relevant post to assist with the work, it has been possible to make significant progress with the process, which is now drawing to a close.

#### **7. INDEPENDENT AUDIT**

The Wales Audit Office will be verifying this new system prior to the start of the 2009/10 year end process.

#### **8. CONCLUSION**

Although the transfer process has not generally been as smooth as was originally hoped and some aspects of the new system have proved to be disappointing, it is intended that the new Asset Register (Finance) system will be operational for the 2009/10 year end process.