

STRATEGIC ASSET MANAGEMENT

POLICY

EPD has implemented this policy to maintain its assets and safeguard them against theft and obsolescence. It also allows the Directorate to meet its financial reporting requirements with regard to assets.

RATIONALE FOR POLICY

The principal objective of the Directorate's asset management strategy is to make the most of the service potential of an asset. This applies in the phases of acquiring, using and disposing of the asset. It also applies to managing the risks and costs of the asset over its entire life.

RESPONSIBILITIES AND ACCOUNTABILITIES

The primary responsibilities and accountabilities in relation to asset management rest with the following:

Position	Responsibility
Chief Finance Officer	<ul style="list-style-type: none"> • ensure asset policies are in place (for example relating to useful life, valuations and maintenance); • approve and arrange write-off, transfer or disposal of assets; • develop the timetable and procedures for stocktakes; • ensure asset revaluation exercises are conducted as appropriate and provide necessary information to SSF; • arrange acquisition and receive and commission assets; • manage work in progress and effect appropriate capitalisation journals; • provide timely information to SSF to support capitalisation of work-in-progress; • ensure capital works costs are accounted for correctly; • ensure maintenance of agency specific systems supporting asset valuations in asset register; • maintain a portable and attractive items register; • ensure that the requirements of these procedures are being met; and • ensure staff responsible for assets have appropriate training to fulfil the functions of their duties.
Executive	<ul style="list-style-type: none"> • record capital works in progress correctly; • provide timely advice on completed capital works and works in progress to the Chief Finance Officer for recording on the Assets Register; • ensure staff responsible for assets have appropriate training to fulfil the functions of their duties; and • ensure that their staff follow these guidelines for the disposal of assets.

Officers Recommending Disposal of Assets	<ul style="list-style-type: none"> • ensure that they follow these guidelines for the disposal of assets.
Shared Services Finance	<ul style="list-style-type: none"> • process asset details into the Fixed Asset Module via accounts payable or mass additions; • process periodic updates of asset information, including moves/disposals/corrections journals; • maintain Fixed Asset spreadsheets where Oracle fixed asset module not used; • reconcile the Fixed Asset module to the General Ledger at end of period; • provision of asset register reports for annual stock-take, usually in May of each year; • update asset register for periodic revaluations; • process asset transactions and capitalisation journals; • assist with non Oracle Asset register migration; • file and retrieval of source documentation; and • issue asset numbers for new purchases;

NON-COMPLIANCE

Failure to comply with these procedures may result in loss to the Directorate, incorrect financial statement valuations and equipment not being serviceable when required by the Directorate.

Staff are therefore accountable to the Director-General for the fulfilment of their responsibilities under these procedures. Non-compliance will be taken as a serious matter and may result in disciplinary action or be reflected in performance reviews.

TARGET USERS

These procedural rules are for all officers responsible for asset management and asset disposal in the Directorate.

PROCEDURES

The following procedures have been addressed in these guidelines:

- definition of an asset;
- assets register;
- directorate acquisitions;
- transfers;
- disposals step guide;
- revaluations;
- stocktaking; and
- portable and attractive items.

Definition of an Asset

An asset is defined as a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the Directorate. An asset is then recognised in the Financial Report when:

- it is probable that any future economic benefit associated with the asset will flow to the Directorate; and
- something that possesses a cost or other value that can be reliably measured; and the initial value to the entity of the item is greater than or equal to \$5,000 GST exclusive.

Assets Register

An Assets Register is a management tool used to record the description of the asset, location, ownership details, quantity, condition and certain financial information relating to the asset valuations.

The Directorate must record in its Asset Register assets which:

- have a useful life greater than one year; and
- are valued over the \$5,000 GST exclusive default threshold or other approved threshold; and / or
- as individual units may cost less than \$5,000 GST exclusive but may combine to form an operating unit or network or have the same or similar nature, where the total unit of the combined assets is material in amount, these assets should be recorded in the Assets Register.

Directorate Acquisitions

Asset acquisition information will be recorded on the Assets Register as set out in the procedures below. Capital work in progress will be monitored through the relevant cost centre for each project.

Step	Action
1	Goods received and invoice approved
2	Invoice sent to accounts payable and entered onto ORACLE
3	Asset Addition/Transfer/Write-off form (available from the Shared Services Customer Service Portal under Forms and Factsheets Templates and Forms) with a clearly marked copy of the invoice is sent to the Senior Manager, Shared Services Finance.
4	The Senior Manager, Shared Services Finance arranges for EPD's Asset Register to be updated

Transfers

All assets transfers should be reflected on an Asset Addition/Transfer/Write-off form which should be signed by both the transferring and receiving officers and forwarded to the Senior Manager, Shared Services Finance.

Surplus property (land and buildings) must be dealt with in accordance with the 'ACT Government Surplus Property Policy'.

- Asset transfers as a result of Administrative Arrangements must be agreed between the two agencies involved. The transfer value will be the same between the two agencies. The transferring agency is to provide all necessary asset descriptions and documentation.

Disposals Step Guide

The following points provide a general guide through the disposal process.

Identify Surplus and Obsolete Assets

The decision to dispose is influenced by a range of factors, including:

- items are beyond their economic life;
- items are no longer required for their original purpose;
- items have reached their optimum selling time to maximise returns; and / or
- items are of a hazardous nature.

Approval to Dispose of Assets

The officer recommending disposal action is required to:

- determine the condition of assets for disposal and set reserve prices;
- examine the disposal options and recommend a disposal method; and
- the officer recommending disposal action must not be the officer approving disposal, for control and probity reasons.

The approving officer is responsible for deciding whether:

- the disposal of the asset is appropriate;
- the method of disposal is appropriate, will achieve the best net outcome and is a fair and open process;
- appropriate action is to be taken to write-off or write-down the asset; and
- adequate records of disposal exist for management, audit and review purposes.

Manage Disposal Process

Some action may need to be taken in relation to assets prior to disposal. Considerations include:

- decommissioning (e.g. removing directorate identification markers);
- relocating the asset to a point of disposal; and / or
- detailing the asset to increase its attractiveness to buyers.

Account for Disposal Revenue

Revenue from asset disposal must be treated in accordance with the relevant Australian Accounting Standards. Also, the Directorate must ensure that the disposal of directorate assets are being paid into the correct bank accounts.

Maintain Audit Trail

The Asset Register must be updated to reflect the disposal of assets.

Disposal of non-registered assets should be appropriately documented and documentation should be kept for two years before being archived or destroyed (as appropriate).

Revaluations

The Directorate uses the revaluation basis for asset valuation in accordance with Australian Accounting Standards and ACT Accounting Policy requirements. The method of asset valuation must be consistent within an asset class.

Stocktaking

A directorate stocktake is to be undertaken annually for directorate assets over \$5,000 GST exclusive. Stocktake reports are to be provided to the Chief Finance Officer.

Stocktakes will be conducted in accordance with the timetable and procedures approved by the Chief Finance Officer.

Portable and Attractive Items

EPD Finance is responsible for ensuring the maintenance of a portable and attractive register for the Directorate.

One officer in each division must be assigned the responsibility of maintaining the portable and attractive register. This officer will review minor asset purchases annually and record any items which are considered portable and attractive and have a value of between \$500 and \$5,000 on the division's portable and attractive register.

A stocktake of all portable and attractive items must be undertaken annually. The stocktake is to be performed by an officer other than the officer responsible for the maintenance of the register. The results of each stocktake must be provided to the relevant division head who should then address any significant issues of concern. The division head must authorise the removal of all lost and stolen items from the register.

REFERENCES

Source	Description
FMA	s31
FMA Regs/FMOs	n/a
Other legislation/regs	n/a
Related DGFIs	n/a
Related Guidelines	ACT Accounting Policy – Capital Works ACT Accounting Policy – Portable and Attractive Items ACT Accounting Policy, Finance Leases - ACT Passenger and Light Commercial Motor Vehicles ACT Government Procurement Policies