



WUJAL WUJAL ABORIGINAL SHIRE COUNCIL
ASSET VALUATION NON-CURRENT ASSETS PROCEDURE

Responsible Manager:	Director Finance & Corporate Services
Head of Power:	Asset Management Policy
Authorised by:	Director Finance & Corporate Services
Authorised on:	30 June 2020
Implemented from:	30 June 2020
To be reviewed on:	30 June 2022
Corporate Plan:	To manage Council's resources in a way that achieves maximum community benefit

1. POLICY STATEMENT

Wujal Wujal Aboriginal Shire Council (Council) is committed to:

- a) Implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of Council. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.
- b) Implementing consistent transparent and effective asset management processes in accordance with the requirements set out in the *Local Government Act 2009 (Qld)* and the *Local Government Regulation 2012 (Qld)*.
- c) Providing adequately for the long-term replacement of major assets by:
 - ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment; and
 - safeguarding Council assets including physical assets and community by implementing appropriate asset management strategies and appropriate financial resources for those assets; and
 - creating an environment whereby all Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout Council; and
 - meeting legislative requirements for asset management; and
 - ensuring resources and operational capabilities are identified and responsibility for asset management is allocated; and
 - demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

2. SCOPE

- a) This procedure details the actions required for financial documentation and validation of asset values relating to Council-held assets contained in the Asset Register. AASB116 Property Plant and Equipment ("the Standard") requires revaluations to be undertaken with sufficient regularity to ensure that the carrying amount of an asset does not differ materially from that which would be determined using fair value at the reporting date.
- b) The Standard suggests that comprehensive revaluations every three to five years may be sufficient for non-current assets that experience only insignificant changes in fair value.
- c) As Council assets are located in remote areas in a challenging environment, it is determined that full revaluations are conducted every five years, with interim desktop valuations conducted yearly.
- d) This procedure covers actions to be taken by the Director Finance & Corporate Services, with the assistance of an asset valuer and in conjunction with Director Works & Building Services and other asset class managers to determine and verify any fair value material movement.

3. INTERPRETATION

AASB116 means Australian Accounting Standards Board's Standard No 116 - Property, Plant and Equipment

4. PROCESS

- a) Asset full revaluation are conducted on a formal basis at five-year intervals through the assistance of an external asset valuer engaged by the Council.
- b) Interim desktop valuations are also conducted on a yearly basis through the engagement of an external asset valuer, to determine movement in values based on indices and other reliable assessment tools specific to the geographical location of the assets. The result of the interim valuation will identify any cumulative value change in asset classes and their possible effects on the financial statements.
- c) All asset valuations are received by the Director Finance & Corporate Services for review and distribution to the other relevant officers within Council for review and acceptance of the valuer's findings. Any anomalies or clarifications must be submitted back to the valuer in writing and all documentation to be retained for audit purposes.
- d) Following review and acceptance of the valuation data by the Council officers, the final report and data is then provided to external audit.

Note: Council only need to account for the impact of revaluation if the cumulative change in the index is 5% or greater (either positive or negative).

- e) The Director Finance & Corporate Services must carry out the following actions:
 - Obtain a full asset listing by asset class;
 - Draft scope of revaluation or indexation instructions to valuers;
 - Forward documentation to asset valuer for assessment;
 - Liaise with asset valuer on any queries relating to the assessment;
 - Provide additional documentation if requested;
 - Receive and review asset valuer's draft report;
 - Arrange for checking of asset valuer's results and validate;
 - Liaise with asset class managers to clarify asset valuer's comments;
 - If full revaluation, send out asset valuer's documentation to asset class managers for full review of assessment data and resulting fair value, useful life, remaining useful life and condition;
 - Collect asset class managers' feedback and conduct final review with Director Works & Building Services prior to submitting to Chief Executive Officer;
 - Finalise revaluation/indexation position paper for submission to external audit.

5. AUTHORISATION

This page and the previous bearing my initials were duly authorised by me as the **Wujal Wujal Aboriginal Shire Council Asset Valuation Non-Current Assets Procedure** on the 30 June 2020 and shall hereby supersede any previous Procedure of the same intent.



Harish Nair
Director Finance & Corporate Services

Date: 30 June 2020