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PART 5 ASSETS

5.1 General Policy, Definition, Classification, Control and Identification

5.1.1 General Policy and Definition

An asset is an item which has service potential or future economic benefits controlled by the University as a result of past transactions or other past events.

Assets of the University shall be categorised so as to comply with the various reporting requirements placed upon the University, by the

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Financial Administration and Audit Act 1977, Financial Management Standard 1997 and the relevant Australian Accounting Standards.

Before an asset is recorded in the financial systems of the University, the University shall ensure that it is able to influence control over the asset. Control in relation to assets exists when the University has the capacity to benefit from the asset and to deny or regulate the access to others.

Assets of the University shall not be used by employees of the University for unauthorised private purposes. Managers are responsible for ensuring controls exist over the use of University assets.

5.1.2 Asset Classification

Assets of the University will include the following, cash, receivables, investments, inventories, land, buildings under construction, leasehold improvements, plant and equipment, motor vehicles, computer equipment, other plant and equipment, leased assets, library collection, museums and other collections, infrastructure assets, and heritage assets.

Following are the University's main categories of assets:

Cash	Cash on hand at year end.
Receivables	Includes Accrued Interest and Debtors, Student Loans offset by Provision for Bad and Doubtful Debts.
Investments	Includes Term Deposits, Bills of Exchange and Overnight Deposits.
Inventories	Stores and Other Inventory and Bookshop Stock.
Other	Includes Prepaid Expenses.
Property, Plant and Equipment	Land and Buildings, Plant and Equipment, Library Collections and Art, Infrastructure Assets, Leased Assets.

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5.1.3 Asset Control

Managers shall give particular emphasis to controls over cash, amounts receivable, inventories and the like. These types of assets shall be in the custody of authorised staff members.

Managers shall provide responsible staff members with reasonable security and with the appropriate means to restrict access to assets to authorised personnel only.

The acquisition of assets shall be undertaken by officers with the appropriate level of procurement delegation. The approval to commit University funds for the acquisition shall be performed by officers with the appropriate level of financial delegation, as detailed in the current University Schedule of Financial Delegations.

The disposal of assets shall be authorised by officers with the appropriate level of financial delegation, as detailed in the current University Schedule of Financial Delegations (Appendix 2).

All assets of the University shall be claimed, acknowledged, held and registered in the name of the University.

5.1.4 Non-Current Assets-Depreciation Method

For assets not subject to revaluation, depreciation is calculated on a straight line basis to write off the net cost of each depreciable asset over their expected useful lives.

For assets subject to revaluation, depreciation is based upon the changes in annual valuations. This method recognises the depletion in an asset's future economic benefit.

Assets under Lease are amortised on a straight line basis over the shorter of expected useful life or the remaining term of the lease.

5.1.5 Recording Threshold

It is the University policy that all acquisitions for non-current physical assets in excess of \$5,000 in value will be recorded in the University Asset Register as University assets. Any purchases less than \$5,000 shall be expensed by the University during the current financial reporting period.

Each Faculty/Department should maintain a register of attractive/portable items, with a value of less than \$5,000 and greater than \$200, under their control. This register must be kept up to date and a stocktake should be performed annually.

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5.1.6 Identification

The University shall recognise assets in the financial systems when:

- (a) it is probable that the service potential or future economic benefits embodied in the asset will eventuate; and
- (b) it possesses a cost or other value that can be measured reliably.

Managers are responsible for ensuring the procurement procedures of their areas of responsibility adhere to University Purchasing Policies and result in the prompt recognition and recording of expenditure in the appropriate asset accounts in the general ledger.

5.2 Responsibilities

5.2.1 Managers

It is the responsibility of managers to :-

- (a) institute procedures and policies in their areas of responsibility, that will assist them in being accountable for the assets under their control;
- (b) ensure the security and maintenance of University assets under their control;
- (c) design controls and procedures that ensure University assets are not used for improper or unauthorised activities;
- (d) ensure that during the procurement process the correct asset account codes are used appropriate to the type of asset being purchased;
- (e) ensure sufficient information is provided to the Finance Department in relation to the relocation and disposal of assets under the control of the manager;
- (f) ensure the transactions to acquire University assets are supported by readily accessible records and documentation (which are filed for future audit purposes) including :-
 - (i) the initial proposal to purchase the asset;
 - (ii) quotes from suppliers;
 - (iii) Requisition forms and copies of Payment request forms;

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- (g) ensure the procedures established include the determination that sufficient uncommitted budget funds are available for the procurement of the asset;
- (h) institute controls and perform stocktakes on all items of value under the control of the manager which are considered by the manager to require such controls, refer to section 5.10 for further information.

5.2.2 Senior Management Accountant

The Senior Management Accountant shall be responsible for ensuring :

- (a) expenditures by the University that relate to the acquisitions of assets, as defined in this policy, are recorded in the University Asset Register;
- (b) procedures are established that identify assets used during research projects that will remain the property of the University and those that will be returned to the project sponsor;
- (c) the University's financial systems record the assets of the University in the appropriate ledger account;
- (d) the University Asset Register includes the following information, the description of the asset, the assignee of the asset, the bar code number, the date of acquisition, the location of the asset, any other pertinent information;
- (e) that consistent methods are applied by the University in the recognition of and accounting for assets;
- (f) a stocktake of all physical assets and trading stock of the University occurs once a year, and any deficiencies are reported to the Senior Operations Accountant for the appropriate action;
- (g) managers are provided with a list of all assets under their control as verified by the annual stocktake;
- (h) the University Asset Register is reconciled to the financial system.

5.2.3 Group Manager Finance and Facilities

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The Group Manager Finance and Facilities shall be responsible for ensuring that adequate systems are maintained by the University to monitor and ensure assets are:

- (a) promptly identified and recorded in the accounting records;
- (b) deployed in an effective and efficient manner;
- (c) protected from loss.

5.3 Revaluation of Assets, Revaluation Threshold

5.3.1 Revaluation of Assets

To ensure that information relating to assets continues to satisfy the criterion of “relevance”, the University will conduct revaluations every three years.

The University shall engage the services of a registered valuer to assist in this revaluation.

An interim revaluation will be performed on an annual basis between each full revaluation of the University’s assets. The interim revaluation of assets will be completed with the assistance of information provided by the registered valuer.

5.3.2 Revaluation Threshold

- (a) Assets with an acquisition cost exceeding \$1,000,000 and an estimated life of three years or more are subject to revaluation; except that
- (b) All assets within the following asset classes shall be subject to revaluation:

Land and Buildings

Infrastructure Assets

Art Collection

5.4 Leasing and Rental

Managers may enter into lease or rental agreements which do not extend beyond the current financial reporting period. Managers undertaking decisions of this nature must ensure that the total cost does not exceed their financial delegations.

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The Group Manager Finance and Facilities may approve leasing or rental agreements which extend beyond the current financial reporting period. Before approving these types of leases and rentals the Group Manager Finance and Facilities shall ensure that appropriate financial analysis is undertaken and consideration is given to the future funding implications of the proposal.

5.5 Disposal

Managers responsible for the control of assets shall be responsible for the disposal of such assets within their areas of control.

The disposal of assets from the University shall be authorised by the manager responsible for the asset.

Disposals of University assets will occur either through public auctions or by sale through open tender unless authorised by the Group Manager Finance and Facilities.

5.5.1 Managers' Responsibilities

The manager responsible for the asset shall ensure that the decision to dispose of the asset is the most economical decision for the University.

Managers shall liaise with the Group Manager Finance and Facilities in disposing of University assets. Managers shall authorise the disposal of University assets through the Asset Disposal Request form.

Assets shall be disposed of after careful consideration of a number of factors, including;

- (a) the increased costs of continued maintenance and repairs;
- (b) the productivity and quality of older assets as compared to new technology;
- (c) the ability to use substitute assets;
- (d) the cost of the new assets;
- (e) the need for the cost centre to achieve its stated objectives and projects in the most cost effective manner;

5.5.2 Senior Operations Accountant

The Senior Operations Accountant shall be responsible for :

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- (a) ensuring that all University assets either traded-in or sold are removed from the University Asset Register;
- (b) ensuring the monies received from the disposal are allocated to the appropriate ledger accounts;
- (c) ensuring the appropriate journal entries are raised to recognise the gain or loss on the sale of the asset;
- (d) ensuring University assets are disposed of after the responsible manager has completed the Asset Disposal Request form.

5.6 Efficient and Economical Use

Managers are responsible for implementing procedures to ensure the efficient and economical use of assets under their control.

Managers shall ensure that their staff are instructed in the proper use of University assets in such a way as to :-

- (a) maximise the use of that asset for University purposes;
- (b) maintain the condition of the asset so that the asset will perform its designed role for the length of time described as the normal working life of such an asset;
- (c) ensure staff are aware of the safety procedures necessary to operate the asset.

5.7 Review of Assets

Managers shall introduce a review process for all assets under their control, to ensure the assets are being used optimally. This review shall be conducted at least once a year or more regularly if it is considered necessary. The review process shall be documented by the manager.

The process shall be aimed at :

- (a) reviewing asset usage to determine excess capacity of assets that may be used to the mutual benefit of other areas of the University;
- (b) ensuring that assets are being adequately maintained so that efficiency in operations is guaranteed.

5.8 Physical Asset Strategic Plan

The Group Manager, Finance and Facilities is responsible for ensuring that a Physical Asset Strategic Plan is completed annually as part of the University's overall strategic planning process.

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The purpose of this plan is to provide a strategic framework for the efficient use and management of physical assets within the University.

The objectives of the physical asset strategic plan are detailed in Part 9 of the Financial Management Practice Manual.

5.9 Systems Appraisals

As specified in Part 14 of the Financial Management Practice Manual a systems appraisal is required to be conducted annually for assets under the control of each Head of Department/Faculty.

5.10 Internal Control

It is the responsibility of all managers to establish internal controls that result in the protection of University assets and restrict University assets to authorised activities. The internal controls and accountability requirements shall also apply to all other items of value under the control of the manager.

Items of value will include all other materials under the control of the manager, that although due to their value are not classified as official University assets (as described in section 5.1.1 of this manual), still have a significant value and are due to their nature vulnerable to deficiencies.

5.10.1 Register of Portable/Attractive Items

Managers are required to maintain a Portable/Attractive Items Register as a means of maintaining control over all other items with a value of less than \$5000 and greater than \$200. These items are not included in the University Asset Register maintained by the Financial Services Department.

The manager shall be responsible for establishing which items are included in this recording system and the maintenance of the recording system.

5.10.2 Principles of Control

The controls implemented shall be based on the following principles:

- (a) that all transactions in regards to assets are supported by readily accessible records and documentation,
- (b) the duties of authorising, accounting and custody are segregated to provide effective internal control.

5.11 Loss or Damage, Stocktake of Physical Non-Current Assets

5.11.1 Loss or Damage

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In situations where an officer or employee has reason to believe that some form of deficiency in money or property has occurred, that officer or employee shall notify their manager with details of the deficiency.

The manager is then responsible for immediately verifying the situation and notifying the Group Manager, Finance and Facilities and the Manager, Internal Audit.

The Manager, Internal Audit shall be responsible for preparing a report on the deficiency. The report shall specifically address the issue of whether the cause of the loss could constitute an offence under The Criminal Code or any other Act or law, or could involve the official misconduct of an officer or employee of the University. This report shall not seek to identify the culprit if a breach of the Criminal Code or any other Act or law could have occurred. Where, in the opinion of the Group Manager, Finance and Facilities, the report indicates the loss may have arisen from a cause that could constitute an offence under The Criminal Code or any other Act or law the Group Manager, Finance and Facilities shall notify the Vice-Chancellor. The Vice-Chancellor shall give notice in writing to a member of the Police Force. Where in the opinion of the Group Manager, Finance and Facilities the report indicates that official misconduct by a member of the University has occurred the Group Manager, Finance and Facilities shall notify the Vice-Chancellor. The Vice-Chancellor will notify the Criminal Justice Commission.

In any case the Vice-Chancellor shall give written notice to the Auditor General.

The Group Manager, Finance and Facilities shall ensure that a Register of Losses and Damages is maintained in which shall be recorded particulars of losses and damage, action taken in respect of such loss or damage and the results of such action.

Actions to write off assets as a result of loss or damage shall be undertaken by the Senior Operations Accountant under the approval of the Group Manager, Finance and Facilities.

5.11.2 Stocktake of Physical Non-Current Assets

Section 45 of the Financial Management Standard requires regular verification of the existence of the University's physical assets. An annual stocktake will be conducted for all University physical assets with a value of equal to or exceeding the recording threshold of

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\$5,000. Details of the Instructions for Fixed Assets Stocktake are included in the Financial Information and Procedures Manual.

Physical assets identified as “not found” during stocktake must be noted on the stocktake sheet and the manager responsible must ensure an Asset Disposal Form is attached to the completed stocktake sheets. The appropriate financial delegate should ensure compliance with Section 5.11.1 Loss or Damage.

5.12 Research projects assets

The University may at various stages have under its control other assets which are not University assets.

Other assets can arise through research projects entered into between the University and the research sponsor.

Each project shall specify in the research project contract, those assets that will remain the property of the University and those assets that are to be returned to the sponsor of the research project.

It is the responsibility of the project organiser to ensure that a well defined project contract exists. This contract shall be lodged with the Secretariat. It shall clearly define the responsibilities of all parties and the ownership responsibilities during the project and after the project of all assets used during the project.

Assets acquired for a specific research project, that will be returned at the conclusion of the project to the project sponsor, shall be treated during the period of the project as if they were University assets.

Research shall provide the Group Manager, Finance and Facilities with a copy of the project contract.

It is the responsibility of the Group Manager, Finance and Facilities after receiving the relevant information from the Secretariat to ensure :

- (a) that the appropriate project numbers are established in the financial systems;
- (b) the terms and conditions of the contract are noted for any financial arrangements as a result of the project (for example at the completion of the project unspent funds are to be refunded to the project sponsor);
- (c) identify which organisation will ultimately have ownership of the various assets associated with the project.

5.13 Assets Temporarily Not Located on University Premises

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Managers shall be responsible for all University assets under their control at all times. Managers must approve all instances where University assets are temporarily not located on University premises.

Managers are therefore responsible for complying with appropriate procedures to control assets.

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