

Treasurer's Instruction No	304
Title	Recording of Non-current Assets
Effective date	1 July 2005
Objective and Background	Provides instruction and guidance in respect of the recording of Non-current assets
Last Reviewed Date	30 April 2005

This Instruction was previously known as Treasurer's Instruction No 910 – Recording of Non-current Assets.

Black letter (or bold) items within these Instructions are mandatory and other plain font items are instructional or for the purpose of providing guidance only.

This Treasurer's Instruction is to be read in conjunction with AASB 116 *Property, Plant and Equipment*.

ASSET REGISTER

- (1) Each Agency must maintain a register of Non-current assets under its control.**
- (2) For financial reporting purposes, the Asset Register must be able to produce information relating to any of the following classes applicable to the agency:**
 - (a) Infrastructure (includes roads, bridges, water supply systems etc);**
 - (b) Land (vacant);**
 - (c) Land and Buildings;**
 - (d) Plant, Equipment and Vehicles (Operating/Support);**
 - (e) Long-lived Plant, Equipment and Vehicles (Operating/Support);**
 - (f) Heritage assets including antiques and works of art;**
 - (g) Investment property;**
 - (h) Assets held for sale; and**
 - (i) Other.**

The Asset Register is an important part of the Head of Agency's control over the agency's Non-physical assets. It records information relating to ownership, control and responsibility for the use, condition and performance of each Non-physical asset.

The Register is also a source of information related to Non-physical assets required for the production of the agency's general purpose financial statements.

The Register would normally contain the following information in relation to each asset:

- Asset description;

- Asset value and valuation policy;
- Location;
- Date of acquisition or assumption of control;
- Date of asset disposal;
- Expected useful life;
- Assets subject to lease; and
- Funding source (State/Australian Government/Other), where available.

The Asset Register may contain any additional information required by the Agency.

ASSET IDENTIFICATION

(3) In most instances, Non-current assets must be recorded and valued on an individual item basis.

There will be instances where it is more appropriate to account for assets on a group basis, or account for material segments of an asset separately.

Many assets, particularly system assets, consist of a number of components. In principle, each component is capable of providing future economic benefits and could be accounted for as an asset separately. However, where the components operate as a cohesive whole to provide a common service, these grouped assets are generally accounted for as one asset. It will therefore be more appropriate to value these items as a group rather than as individual assets. For example, it may be more appropriate to value a computer network as a group and record this as a single asset, rather than valuing and recording the network components separately.

Similarly, library and museum collections and other items of a similar nature may be more appropriately recorded, valued and reported as a group asset.

PORTABLE AND ATTRACTIVE ITEMS

(4) Portable and attractive items must be registered for physical control purposes.

Certain items that have values below the asset recognition threshold are, by their nature, susceptible to theft or loss. Such items, termed portable and attractive, may include personal computers, power tools and like items.

It may be appropriate to specify a control threshold to exclude very low value items. If a separate Register of Portable and Attractive Items is not maintained, such assets may instead be listed and recorded at “nil” value in the Asset Register of the Agency.