

GEORGE MUNICIPALITY

ASSET MANAGEMENT AND ACCOUNTING POLICY 2026/27

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1. INTRODUCTION

1.1 Objective

This policy is aimed at assisting management and employees of the municipality to implement and maintain consistent, effective and efficient asset management principles.

The objective of this policy is:

- To safeguard the fixed assets of the municipality and to ensure the effective use of existing resources.
- To emphasise a culture of accountability towards the municipality's fixed assets.
- To ensure that effective controls are communicated to management and staff through clear and comprehensive written documentation.
- To provide a formal set of financial procedures that can be implemented to ensure that the municipality's financial asset policies are in compliance with the Municipal Finance Management Act 2003, Act 56 of 2003, herein referred to as the MFMA.

1.2 Background

(a) The proper utilisation and management of its assets is one of the prime mechanisms by which a municipality can fulfil the constitutional objects bestowed upon it with regard to:

- Delivery of sustainable services;
- Promotion of Social and economic development;
- Promoting a safe and healthy environment and,
- Providing for the basic needs of the community.

(b) Chapter 8 of the MFMA, Responsibilities of Accounting Officers, talks to the need for Asset Management in Section 63:

(i) The accounting officer of a municipality is responsible for the management of:

the assets of the municipality, including the safeguarding and the maintenance of those assets; and

- the liabilities of the municipality.

(ii) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure:

- that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;
 - that the municipality's assets and liabilities are valued in accordance with standards of generally recognised accounting practice; and
 - that the municipality has and maintains a system of internal control of assets and liabilities, including an assets and liabilities register, as may be prescribed.
- (c) The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.
- (d) The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of assets.
- (e) The MFMA stresses the need for good asset management, noting that directorates should hold only those assets that are necessary for the efficient, effective and economical delivery of its programs.
- (f) The following should be enforced to ensure proper asset control:
- (i) All assets must be properly identified and controlled until they are ultimately disposed of.
 - (ii) The organisation's accounting policies must be reasonable and consistently applied, with specific reference to the provision for depreciation, amortization, ageing and the reduction of the value of the assets.
 - (iii) Assets that exist at a specific date must be reflected as such in the Fixed Assets Register (FAR).
 - (iv) Ownership of the asset must lie with the organisation and must be included in the FAR.
 - (v) The value at which the asset is reflected on the balance sheet must be correct and be the reasonable value of the asset,
 - (vi) Assets must be in good working order and when not in use, duly maintained.
 - (vii) All assets transactions must be duly authorized and noted by the relevant authorized personnel.
 - (viii) All assets must be kept safe and maintained.

- (g) This policy replaces / supersedes all ~~financial policy~~asset management instructions that have previously been issued.
- (h) Failure to comply with the prescribed procedures will result in the institution of disciplinary procedures in terms of the stipulated human resources policies and procedures of the municipality.

1.3 Statutory and Regulatory Framework

- (a) This policy must comply with all relevant legislative requirements including:
- The Constitution of the Republic of South Africa, 1996
 - Municipal Structures Act, 1998
 - Municipal Systems Act, 2000
 - Division of Revenue Act (enacted annually)
 - Municipal Finance Management Act No 56 of 2003
 - Local Government: Municipal Asset Transfer Regulations, 2008
- (b) Also, this policy must comply with the standards specified by the Accounting Standards Board. The relevant currently recognized accounting standards include:
- GRAP 17 Property, plant and equipment
 - GRAP 16 Investment property
 - GRAP 100 Non-current Assets held for Sale and Discontinued Operations
 - GRAP 13 Leases
 - GRAP 31 Intangible Assets
 - GRAP 32 Service Concession Assets
 - GRAP 103 Heritage Assets
 - GRAP 21 Impairment of Non-cash-generating Assets
 - GRAP 26 Impairment of Cash-generating Assets
- (c) Whilst this Policy speaks specifically to financial asset management the ~~re are~~re are other internal policies which could also impact on certain procedures, functions or methodology regarding assets. This Policy seeks to compliment rather than contrast or overrule any other municipal procedures or policies that are currently in place. Where applicable the relevant corresponding policy will be referred to.

2. DEFINITIONS & ABBREVIATIONS

Consistent definitions are essential to ensure good asset management and reporting.

2.1 (1) — Assets

Are resources controlled by the municipality as the result of past events and from which future economic benefits or future service potential are expected to flow to the municipality. ~~and for the purpose of this policy refers to property, plant and equipment but excludes Investment Properties.~~

2.2 Property, plant and equipment (PPE)

PPE are tangible items that are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

2.3 Infrastructure asset

Infrastructure asset is an asset sub-type of Property, plant and equipment which is defined as those capital assets that form part of a network. General characteristics of infrastructure assets are that they are:

- i) part of a system or network;
- ii) specialised in nature and do not have alternative uses;
- iii) immovable; and
- iv) subject to constraints on disposal.

2.4 Community assets

Community assets is an asset sub-type of Property, plant and equipment which is defined as those assets utilized to the social well-being of the community.

2.5 Other assets

Other asset is an asset sub-type of Property, plant and equipment which is defined as capital assets utilised in normal operations administrative function of the municipality. Examples are plant equipment, office buildings, motor vehicles, office equipment and furniture and computer equipment etc.

2.6 Heritage assets

Heritage asset is an asset type which is defined as assets that have a cultural, environmental, historical, natural, scientific, technological, or artistic significance and are held indefinitely for the benefit of present and future generations.

2.7 Investment properties

Investment properties is an asset type which is defined as properties (land or a building – or part of a building – or both – or land with a undetermined use) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- i) use in the production or supply of goods or services or for administrative purposes,
or
- ii) sale in the ordinary course of operations;

2.8 Intangible assets

Intangible asset is an asset type which is an identifiable non-monetary asset without physical substance; and

2.9 Leased assets

A lease is an agreement whereby the lesser conveys to the lessee in return for payment or series of payments the right to use an asset for an agreed period of time. A finance lease is a lease that transfers substantially all the risks and rewards incident of ownership of an asset.

2.10 Fixed Asset Register

It is the control register recording the financial and other key details for all municipal capital assets recognised in accordance with this policy;

2.11 Capitalisation

It is the recognition of expenditure as part of the cost of a capital asset when it meets the criteria for recognition, and recording it in the asset register.

2.12 Commissioning

An asset is commissioned when the asset is ready for use in the condition and position as intended by management at which point depreciation will commence.

2.13 Work-in-progress asset

Work-in-Progress (WIP) refers to capital expenditure incurred on assets that are under construction or development and are not yet completed or available for their intended use. Such costs are not depreciated until the asset is brought into use, at which point the accumulated costs commissioned.

2.14 Cost of acquisition

All the costs incurred that is directly attribution in bringing a capital asset item to the required condition and location for its intended use.

2.15 Fair value

Fair value is the amount for which an asset can be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction.

2.16(4) Residual value

Residual value is the net amount that the enterprises expect to obtain for an asset at the end of its useful life after deducting the expected cost of disposal.

2.17(5) Impairment Loss

An impairment loss is the amount by which the carrying value of an asset exceeds the recoverable amount.

2.18(6) Carrying value

Carrying value is the amount at which the asset is recognized in the balance sheet after deducting any accumulated depreciation and accumulated impairment losses thereon.

2.19(7) -Recoverable value

–Recoverable value is the higher of the asset's net selling price and its value in use.

2.20(8) Depreciation/ or amortisation

Depreciation is ~~the decline during the accounting period, in the value of fixed assets as result of physical deterioration, normal obsolescence or normal accidental damage.~~

~~During the useful life of the asset the asset will be depreciated from its actual cost price to its residual value. This value is usually nil. the systematic allocation of the cost of a tangible asset over its useful life.~~

Amortisation is the systematic allocation of the cost of an intangible asset over its useful life.

2.21(9) Depreciable amount

_____ The depreciable amount of an asset is determined after deducting the residual value of the fixed asset.

2.22(10) Accumulated depreciation

_____ Accumulated depreciation refers to the total depreciation allocations to a certain point with respect to assets still in use.

2.23(11) Depreciation/ or Amortisation Method

_____ ~~Although various depreciation~~ Depreciation methods is an accounting technique used to allocate the cost of a tangible asset over it ~~can be used, the municipality uses the straight-line method to ensure a constant charge over the~~ useful life ~~of an asset.~~

Amortisation method is an accounting technique used to allocate the cost of an intangible asset over its useful life.

2.24(12) Useful life

Useful life is the estimated period over which an asset is expected to be available for use by the municipality which may be different from its physical or economic life. The useful life of an asset is defined in terms of the asset's expected utility to the municipality, and this is not necessary as long as the economic life. The estimation of the useful life of an asset is a matter of judgment based on experience with similar assets and organisations. The following factors should be considered when assessing an asset's useful life:

- ~~• Expected use~~
- ~~• Expected physical wear and tear~~
- ~~• Technical obsolescence~~
- ~~• Legal or other limits on the use~~

2.25(13) Construction Contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or inter dependent in terms of their design, technology and function or their ultimate purpose or use.

2.26(14) Research and development Cost

- Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding.
- Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services prior to the commencement of commercial production or use.

(15) Intangible assets

~~An intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes.~~

(16) Heritage Assets

~~Heritage Assets are assets that have a cultural, environmental, historical, natural, scientific, technological, or artistic significance and are held indefinitely for the benefit of present and future generations.~~

(17) mSCOA

~~— mSCOA stands for “municipal standard chart of accounts” and provides a uniform and standardized financial transaction classification framework.~~

2.27 Abbreviations

AO – Accounting Officer

CFO – Chief Financial Officer

AMU – Finance Asset Management Unit

MFMA – Municipal Finance Management Act, No. 56 OF 2003

MSA – Municipal Systems Act, No. 32 of 2000

GRAP – Standard of General Recognised Accounting Practice

CIDMS – City Infrastructure Delivery and Management System

mSCOA - Municipal Standard Chart of Accounts

3. ROLES AND RESPONSIBILITIES

3.1(4) Role of Municipal Manager

As Accounting Officer of the municipality, the municipal manager shall be the principal custodian of all the municipality’s fixed assets and shall be responsible for ensuring that the fixed asset management policy is scrupulously applied and adhered to.

(2)3.2 Role of Chief Financial Officer

- (a) The Chief Financial Officer (CFO), or his nominee, shall be the fixed asset registrar of the municipality, and shall ensure that a complete, accurate and up-to-date fixed asset register is maintained.
- (b) ~~The CFO may delegate or otherwise assign responsibility for performing these functions but will remain ultimately accountable for ensuring these activities are performed. No amendments, deletions or additions to the fixed asset register shall be made other than by the CFO or by an official acting under the written instruction of the CFO.~~

3.3(3) Role of Directors of Departments

~~(a) — The Directors may delegate or otherwise assign responsibility for performing these functions to Senior Managers/ Managers, but will remain ultimately accountable for ensuring these activities are performed.~~

- (a) ensure that all eEvery director employees in their departments adhere to the approved Asset Management Policy
- (b) ensure that all assets are procured in terms of the SCM Policy;

- (c) ensure all assets used by employees leaving the employment of the company must be verified on the day such employees leave and report submitted to the Human Resource Management Directorate.
- (d) ensure all assets used by employees leaving the employment of the company must be verified on the day such employees leave
- (e) shall be directly responsible for the physical safekeeping of any fixed asset controlled for use by the department in question.
- (b) ~~Each director is~~ responsible for maintaining assets under their control. The Asset Unit does not hold the responsibility for instituting or implementing asset maintenance plans; this responsibility lies exclusively with each directorate.
- (c) Every director shall ensure that the asset identification system approved for the municipality is scrupulously applied in respect of all assets controlled or used by the department in question.
- ~~(d)~~ ~~(e)~~ Every director shall at least once during every financial year undertake a comprehensive verification of all their fixed assets.
- ~~(d)~~~~(e)~~ Any unauthorised, irregular, or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;

4. FINANCIAL MANAGEMENT

4.1 Funding & Budget

- ~~(a) The acquisition of assets should not be funded over a period longer than the useful life of that asset.~~
- ~~(b) An approved capital project plan must be submitted for future asset acquisitions where upon the funding must then be approved.~~
- ~~(c) A capital budget must be compiled whereby future operational costs and revenue of the project, including tax and tariff implications should be considered; and be approved. This capital budget must be drafted in accordance with the MFMA as well as budget related policies. All capital acquisitions will be done in accordance to the approved capital budget.~~

4.2 Procurement of Assets

- ~~(c) (a) A capital budget must be compiled and approved for all capital acquisitions. This capital budget must be drafted in accordance with the MFMA as well as internal budget related policies.~~
- ~~(c) An approved capital project plan must be submitted.~~

~~(d) Asset Completion forms must be completed for each project indicating the source of funding, type of project/purchase and the completion date.~~

~~(a) All asset acquisitions must be conducted in terms of approved George Municipality's Supply Chain Management Policy.~~

~~(b)(b) Money can only be spent on a the procurement of an project/capital asset/project if:~~

~~(i) the money for the project has been appropriated in the capital budget, and the future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget;~~

~~(ii) the project, including the total cost and funding sources, and have been approved by Council;~~

~~(iii) the CFO confirms that funding is available for that specific project, and~~

~~(iv) (ii) the Supply Chain Management prescripts/procedures have been adhered to as set out in the George Municipality's Supply Chain Management Policy. SCM Policy of George Municipality.~~

~~(c) (c) An approved capital project plan must be submitted.~~

~~(d) Asset Completion forms must be completed for each project indicating the source of funding, type of project/purchase and the completion date.~~

~~(e) Budgeting and procurement is a a process driven and handled jointly by the Budget Office and Supply Chain Management. The AMU only gets involved once the budget has been approved and procurement has been completed.~~

~~NOTE: See Annexure B, Operating Procedures (AMP 01 – Additions)~~

~~(1) FUNDING~~

~~(a) The acquisition of assets will not be funded over a period longer than the useful life of that asset.~~

~~(b) As stated in 4(1)(b) above for new asset acquisitions the funding must be approved and available for use to acquire the asset.~~

4.3 Disposal of Assets

(a) Assets must be disposed in such a way that –

(i) It falls within the framework set by the Municipal Finance Management Act (No56 of 2003) as well as the MFMA Section 14 and the Asset Transfer Regulations as issued by National Treasury in the Government Gazette No 31346 of 23 August 2008.

(ii) During the consideration and acceptance of tenders/quotations or any bid for such assets, the image of the municipality is not impaired.

- (iii) Assets must be disposed of as stipulated in ~~Section 40~~, Disposal Management (~~pg.50~~), of the approved Supply Chain Management Policy of George municipality.
- (iv) Identification and acknowledgement Authorisation for of the disposal of an asset should be as per the Directorates' delegation of authority and approved by Council or MM (if delegated, in accordance with the delegation framework).

(b) Alienation of fixed Assets

NOTE: —The reference to the asset financing reserve below is based on the assumption that the reserve is allowed.

- (i) In compliance with the principles and prescriptions of the Municipal Finance Management Act, the transfer of ownership of any fixed asset shall be fair, equitable, transparent, competitive, and consistent with the municipality's supply chain management policy.
- (ii) Every director shall report in writing to the CFO ~~on 30 April~~ of each financial year on all fixed assets controlled or used by the department concerned which such director wishes to alienate by way of public auction or public tender. The CFO or his delegated official shall thereafter consolidate the requests received from the various directorates and shall promptly report such consolidated information to the council or the municipal manager of the municipality, as the case may be, recommending the process of alienation to be adopted.
- (iii) The council shall ensure that the alienation of any fixed asset takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004 which states:
 - “(1) A municipality may not alienate any capital asset required to provide a minimum level of basic municipal services.*
 - (2) A municipality may alienate any other capital asset, but provided*
 - (a) The council, in a meeting open to the public, has first determined that the asset is not required to provide a minimum level of basic municipal services, and*
 - (b) The council has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset. ”*
- (iv) Once the fixed assets are alienated, the CFO or delegated official shall ~~delete~~ update the relevant records from the fixed asset register.
- (v) If the proceeds of the alienation are less than the carrying value recorded in the fixed asset register, such difference shall be recognised as a loss in the ~~income~~ Statement of Performance under the department or vote or PPID concerned. If the proceeds of the alienation, on the other hand, are more than the carrying value of the fixed asset concerned, the difference shall be recognised as a gain in the income statement of the department or vote concerned.

- (vi) Any gains realised on the alienation of fixed assets shall be appropriated annually to the municipality's asset financing reserve, via the operating account (except in the cases outlined below), and any losses on the alienation of fixed assets shall remain as expenses on the income statement of the department or vote concerned. If, however, both gains and losses arise in any one financial year in respect of the alienation of the fixed assets of any department or vote, only the net gain (if any) on the alienation of such fixed assets shall be appropriated.
- (vii) Transfer of fixed assets to other municipalities, municipal entities (whether or not under the municipality's sole or partial control) or other organs of state shall take place in accordance with the above procedures, except that the process of alienation shall be by private treaty. (Such inter-governmental transfers are done in accordance to Chapter 2 and 3 of the MFMA Transfer Regulations).
- (c) Other write-offs of fixed assets
- (i) A fixed asset even though fully depreciated shall be written off only on the recommendation of the director controlling or using the asset concerned, and with the approval of the council of the municipality.
- (ii) Every director shall report to the CFO ~~by no later than 30 April~~ (or when the need arises) of each financial year on any fixed assets which such director wishes to have written off, stating in full the reason for such recommendation. The CFO or his delegated official shall consolidate all such reports and shall promptly submit a recommendation to the council of the municipality on the fixed assets to be written off.
- (iii) The only reasons for writing off fixed assets, other than the alienation of such fixed assets, shall be the loss, theft, destruction, or material impairment of the fixed asset in question.
- ~~(iv) In every instance where a not fully depreciated fixed asset is written off, the CFO shall immediately debit to such department or vote, as additional depreciation expenses, the full carrying value of the asset concerned.~~
- (d) In case of loss, theft, destruction, or impairment
- ~~(i) This section must be implemented in conjunction with the Policy in Respect of Loss or Damage to Council Property.~~
- (ii) Every director or his delegated official shall ensure that any incident of loss, theft, destruction, or material impairment of any fixed asset controlled or used by the department in question is promptly reported in writing to the CFO or his delegated official, ~~to the internal auditor, and~~ and in cases of suspected theft or malicious damage – also to the South African Police Service.

- ~~(iii) An Assets Risk Management Committee should be established. When a vehicle is involved in an accident, reporting are to be done in accordance with the Fleet Management policy and Insurance policy.~~
- ~~(ivii) When a vehicle is involved in an accident, a report should be submitted to the CFO for insurance purposes. Any damage or loss should be reported to the insurance section for a possible insurance claim, in compliance with the Insurance policy:~~
- ~~(v) Quotations should be obtained to establish the extent and value of the damage.~~
- ~~(vi) The CFO or his nominee will submit a claim to the insurance company.~~
- ~~(vii) A hearing should be held in accordance with the Loss control policy to determine if it was negligence on the part of the driver (employee). If found guilty of negligence, the employee will be responsible for any cost incurred by the municipality or as stipulated in the approved loss control policy of the municipality.~~
- ~~(viii) When it is suspected that an employee abuses asset, this action should be reported to the Assets Risk Management Committee. A hearing should be held to determine if this is the case. If found guilty the employee should be subject to the procedure as described in terms of the Standard Conditions of Service.~~
- ~~(ix) Assets/consumables lost or stolen should be reported to the Director: Finance as soon as they are discovered. The following documents must be submitted:~~
 - ~~(e) Replacement of assets
 - (i) Each directorate is responsible for motivating (keeping in mind the useful lives of the different asset types) the possible replacement of motor vehicles, furniture and fittings, computer equipment and any other appropriate operational items. This will include the replacement of fixed assets which are required for service delivery, but which have become uneconomical to maintain. These requests will be handled during the capital budget process where council, the budget committee and relevant officials are involved.~~

NOTE: See Annexure A attached for the fixed asset life table.

(f) IT Equipment

Before any pc's, laptops, tablets and other computer hardware are disposed of it must be ensured that the IT department has had an opportunity to first remove all relevant software.

Council's ICT Policy has relevance with regard all assets of an IT nature.

5. INTERNAL CONTROLS

5.1(4) Safekeeping of Assets

- (a) Every director shall be directly responsible for the physical safekeeping of any fixed asset controlled for use by the department in question. Additionally they shall be responsible for the establishing and maintaining any additional registers or records to demonstrate the physical management of capital assets under their control.
- (b) In exercising this responsibility, every director shall adhere to any written directives issued by the municipal manager and/or chief financial officer ~~to~~ the directorate in question, or generally to all directorates, in regard to the control of or safekeeping of the municipality's fixed assets.
- (c) All assets should be kept in a secure location, maintained regularly, insured against theft or destruction (if where applicable), utilised economically and efficiently.

5.2(2) Asset Identification

- (a) The ~~municipal manager~~ Chief Financial Officer shall ensure that the municipality maintains an asset identification system, ~~which shall be operated in conjunction with its computerised fixed asset register. (Bytes system).~~
- ~~(b) The identification system shall be determined by the municipal manager, acting in consultation with the CFO and other directors, and shall comply with any legal prescriptions, as well as any recommendations of the Auditor General as indicated in the municipality's audit report(s), and shall be decided upon within the context of the municipality's budgetary and human resources.~~
- ~~(c)~~ Every director shall ensure that the asset identification system approved for the municipality is scrupulously applied in respect of all fixed assets controlled or used by the department in question.
- ~~(d)~~ A fixed assets and inventory register should be maintained, and all fixed assets should be uniquely numbered for reference to the fixed assets register.

~~The Municipality should hold title to all assets.~~

5.3(3) Verification

- (a) Every director shall at least once during every financial year undertake a comprehensive verification of all fixed assets controlled or used by the department concerned.
- (b) Every director shall promptly and fully report in writing to the GFOAMU in the format determined by the CFOAMU., ~~a~~ All relevant results of such fixed these reports of the asset verification shall be reviewed by AMU and any discrepancies will be investigated., ~~provided that each such asset verification shall be undertaken and completed as closely as possible to the end of each financial year, and that the resultant report shall be submitted to the CFO not later than 30 June of the year in question.~~

~~(c) — A Statement of Existence (SOE) must be issued for assets declaring that all assets listed are on hand and are in a useful working condition. The SOE must be sent to the CFO. This function is handled by the Asset Unit (AMU).~~

(d) ~~(d)~~ All assets used by employees leaving the employment of the company must be verified on the day such employees leave. To this effect the Human Resources Department must inform the AMU in writing of any persons leaving the employment of the municipality.

5.4(4) Movement / Monitoring of Assets

(a) Any disposal, movement, impairment, or any change in the nature of the asset must be monitored and communicated to the AMU and other role players as the communication channel may prescribe.

(b) ~~Directorates may transfer capital assets under their control provided that the receiving official agrees to accept the responsibility of that capital asset. For all transfers an Asset Transfer form is to be completed, signed by the receiving party (custodian) and submitted to AMU for updating of the asset register.~~

(c) ~~The AMU must appropriately amend the Fixed asset register by recording the approved transfers.~~

~~(a)(d)~~ With regard to moveable and toolbox items, the movement and monitoring thereof will take place on a computerised system. (This may be a separate system to the one used for the fixed assets).

~~(bd)~~ With regard to moveable, non-fixed asset register items the movement and monitoring thereof will take place on a computerised system (This may be a separate system to the one used for the fixed assets).

~~(c)~~ A responsible occupant will sign-off on the assets under his/her control and thus become the custodian thereof. Any movement or changes to said list of items must be communicated to the Asset Unit.

~~(d)~~ Assets that are used by officials outside of their workplace (e.g. laptops taken home) must be approved by the relevant director.

5.5(5) Insurance Cover

(a) The ~~municipal manager~~directors shall ensure that ~~all moveable fixed~~ assets are insured. Insurance will be done in accordance with the Insurance Policy of George Municipality at least against fire and theft, and that all municipal buildings are insured at least against fire and allied perils.

(b) If the municipality may operates a self-insurance reserve (assuming such reserve to be allowed), the CFO shall annually determine the premiums payable by the

directorates or votes after having received a list of the fixed assets and insurable values of all relevant fixed assets from the directors concerned.

(c) ~~The municipal manager shall recommend to the council of the municipality, after consulting with the CFO or delegated official in consultation with the insurance broker/underwriter shall recommend,~~ the basis of the insurance to be applied to each type of fixed asset: either the carrying value or the replacement value of the fixed assets concerned. Such recommendation shall take due cognisance of the budgetary resources of the municipality.

~~(e) The CFO shall annually submit a report to the council of the municipality on any reinsurance cover which it is deemed necessary to procure for the municipality's self-insurance reserve.~~

5.6(6) Maintenance of Assets

~~(a) Maintenance Plans~~

~~(i) Every director shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000 (one hundred thousand rand) or more is promptly prepared and submitted to the council of the municipality for approval.~~

~~(ii) If so, directed by the municipal manager, the maintenance plan shall be submitted to the council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned.~~

~~(iii) The director controlling or using the infrastructure asset in question, shall annually report to the council, not later than in July, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the asset concerned.~~

~~(b) Deferred Maintenance~~

~~(i) If there is material variation between the actual maintenance expenses incurred and the expenses reasonably envisaged in the approved maintenance plan for any infrastructure asset the CFO shall disclose the extent of and possible implications of such deferred maintenance in an appropriate note to the financial statements. Such note shall also indicate any plans which the council of the municipality has approved in order to redress such deferral of the maintenance requirements concerned.~~

~~(ii) If no such plans have been formulated or are likely to be implemented, the CFO shall re-determine the useful operating life of the fixed asset in question, if necessary, in consultation with the director controlling or using such asset and shall recalculate the annual depreciation expenses accordingly.~~

~~(c) — General Maintenance of Fixed Assets~~

~~(i) —~~ Every director shall be directly responsible for developing a maintenance strategy that will ensure that all assets ~~(other than infrastructure assets which are dealt with in section 5(6)(a) above)~~ are properly maintained and in a manner, which will ensure that such assets attain their useful operating lives.

5.7(7) Fixed Asset Register

- (a) The fixed asset register shall be maintained in the format determined by the CFO, which format shall comply with the requirements of generally recognised accounting practice (GRAP) and any other accounting requirements which may be prescribed.
- (b) The fixed asset register shall reflect the following information:
- (i) a brief but meaningful description of each asset;
 - (ii) the date on which the asset was acquired or brought into use;
 - (iii) the location of the asset;
 - (iv) the directorate(s) or vote(s) within which the assets will be used;
 - ~~(v) — the title deed number, in the case of fixed property;~~
 - (vi) the erf/stand number, in the case of fixed property;
 - ~~(vi) — (vii) —~~ where applicable, the identification number,
 - ~~(viii) —~~ the original cost, the revalued amount or the fair value if no costs are available;
 - ~~(viii) — the (last) revaluation date of the fixed assets subject to revaluation;~~
 - (ix) the revalued value of such fixed assets;~~the (last) revaluation date of the fixed assets subject to revaluation;~~
 - (x) accumulated depreciation to date;~~the revalued value of such fixed assets;~~
 - (xi) the depreciation charge for the current financial year;~~accumulated depreciation to date;~~
 - (xii) the carrying value of the asset;~~the depreciation charge for the current financial year;~~
 - (xiii) the method and rate of depreciation;~~the carrying value of the asset;~~
 - (xiv) impairment losses incurred during the financial year (and the reversal of such losses, where applicable);~~the method and rate of depreciation;~~
 - (xv) ~~the source of financing;~~impairment losses incurred during the financial year (and the reversal of such losses, where applicable);
 - (xvi) whether the asset is required to perform basic municipal services;~~the source of financing;~~
 - ~~(xvii) — the current insurance arrangements;~~
 - (xviii) the date on which the asset is disposed of;~~whether the asset is required to perform basic municipal services;~~
 - ~~(xixviii) —~~ the disposal price; and~~the date on which the asset is disposed of;~~

~~(xix) — the date on which the asset is retired from use, if not disposed of the disposal price; and~~

~~(xxi) the date on which the asset is retired from use, if not disposed of.~~

~~(c) c) — All directors under whose control any fixed asset falls shall promptly provide the CFO in writing with any information required to compile the fixed asset register and shall promptly advise the CFO in writing of any material change which may occur in respect of such information.~~

~~(c)~~

~~(d) d) — A fixed asset shall be capitalised, that is, recorded in the fixed assets register, as soon as it is acquired. If the asset is constructed over a period of time, it shall be recorded as work in progress until it is available for use, where after it shall be appropriately capitalised as a fixed asset. Fixed assets shall be capitalised and recorded in the fixed asset register when acquired and be commissioned once it is ready for use.~~

~~(e)~~

~~(f)(d) e) — A fixed asset shall remain in the fixed assets register for as long as it is in physical existence. The fact that a fixed asset has been fully depreciated shall not in itself be a reason for writing off such an asset.~~

6. CLASSIFICATION OF FIXED ASSETS

~~(1) — In compliance with the requirements of the National Treasury, the CFO or his delegate shall ensure that all fixed assets are classified under the following headings in the fixed assets register, and directors shall ~~in writing~~ provide the CFO-AMU with such information or assistance as is required for AMU to compile a proper classification.~~

~~(2) — 6.1 Classification Types~~

The CFO or his delegate shall adhere to the classifications indicated in the annexure on fixed asset lives (see Annexure A), and in the case of a fixed asset not appearing in the annexure shall use the classification applicable to the asset most closely comparable to the asset in question.

(a) Property, Plant and Equipment

- ~~• land (not held as investment assets);~~
- ~~• infrastructure assets (assets which are part of a network of similar assets);~~
- ~~• community assets (resources contributing to the general well-being of the community);~~
- ~~• heritage assets (culturally significant resources);~~
- ~~• other assets (ordinary operational resources).~~
- ~~• As classified by GRAP 17~~

~~(b) (c) Investment Property~~

- ~~• investment assets (resources held for capital or operational gain)~~
- ~~• land~~

~~As classified by GRAP 16~~

~~(b) (b) Inventory (As defined in GRAP 12)~~

~~(c)~~

~~• housing (rental stock or housing stock not held for capital gain).~~

~~As classified by GRAP 12~~

~~(c) Investment Property~~

~~• investment assets (resources held for capital or operational gain)~~

~~• land~~

~~As classified by GRAP 16~~

~~(c) Intangible Assets~~

~~(d)~~

~~• as classified by GRAP 31~~

~~(d) (e) Heritage Assets~~

~~(e)~~

~~(e) As classified by GRAP 103~~

~~(f) Biological assets~~

~~The CFO shall adhere to the classifications indicated in the annexure on fixed asset lives (see Annexure A), and in the case of a fixed asset not appearing in the annexure shall use the classification applicable to the asset most closely comparable to the asset in question.~~

6.2(3) Classification Descriptions

~~(a) Property, Plant and Equipment~~

- ~~• land (not held as investment assets);~~
- ~~• infrastructure assets (assets which are part of a network of similar assets);~~
- ~~• community assets (community facilities – assist with general well-being of the community)~~
- ~~• other assets (Buildings, Transport assets, Furniture and Office equipment, Machinery and equipment and Computer equipment)~~

~~(a) NOTE: See attached Annexure B, Operating Procedures~~

~~(b)~~

~~(b) (a) Investment Property~~

- ~~• investment assets (resources held for capital or operational gain)~~
- ~~• land~~

- (i) Investment assets shall be accounted for in terms of GRAP 16 and shall not be classified as property, plant, and equipment for purposes of preparing the municipality's statement of position.
- (ii) Investment assets shall comprise land or buildings (or parts of buildings) or both held by the municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.
- (iii) Investment assets shall be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

~~(iv) Investment assets shall not be depreciated but can be annually valued on balance sheet date to determine their fair (market) value. Investment assets can be recorded in the balance sheet at such fair value. Adjustments to the previous year's recorded fair value can be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the department or service controlling the assets concerned.~~

NOTE: The cost model is used by the municipality and not the revaluation method.

- (iv) An expert valuer shall be engaged by the municipality to undertake such valuations (should they be required). Internally or externally appointed valuers may be used.
- (vi) If the council resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as an property, plant and equipment~~ordinary fixed asset~~ until it is ready for its intended use – where after it shall be reclassified as an investment asset.

~~(e) ——— (AMP04 — Investment Property)~~

~~(d) —~~

~~(e)~~(c) Fixed Assets treated as inventory

- (i) Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position.
- ~~(ii) Such inventories shall, however, be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.~~

~~(d)~~(e) Recognition of Heritage Assets in the fixed asset register

- (i) If no original costs or fair values are available in the case of one or more or all heritage assets, the CFO may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the fixed asset register without an indication of the costs or fair value concerned. Heritage Assets are recognised and handled according to GRAP 103.
- (ii) For balance sheet purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.
~~(AMP07 — Heritage Assets).~~

~~(f)~~(e) Intangible Assets

- (i) GRAP 31 determines the definition of an intangible asset.
- (ii) Entities frequently expend resources or incur liabilities, on the acquisition, development, maintenance or enhancement of intangible resources such as scientific or technical knowledge, design and implementation of new processes or systems, licenses, intellectual property, and trademarks (including brand names and publishing titles). Common examples of items encompassed by these broad headings are computer software, patents, copyrights, motion picture films, customer lists, acquired fishing licenses, acquired import quotas, and relationships with customers.
- (iii) Not all the items described in paragraph (ii) meet the definition of an intangible asset, i.e. identifiability; control over a resource and existence of future economic benefits; or service potential. If an item within the scope of this Standard does not meet the definition of an intangible asset, expenditure to acquire it or generate it internally is recognised as an expense when it is incurred.
- (iv) An asset is identifiable if it either:
 - a) is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset, or liability, regardless of whether the entity intends to do so; or
 - b) arises from binding arrangements (including rights from contracts) regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

NOTE: See GRAP 31 for the full recognition, handling, and accounting of intangible assets.

~~(f)(a) Recognition of donated assets~~

- ~~(i) Where a fixed asset is donated to the municipality, or a fixed asset is acquired by means of an exchange of assets between the municipality and one or more other parties, the asset concerned shall be recorded in the fixed asset register at its fair value, as determined by the CFO.~~

~~(g)(f) Biological assets~~

- (i) Accounting for biological assets shall take place in accordance with the requirements of GRAP 101.
- (ii) The CFO, in consultation with the head(s) of department concerned, shall ensure that all biological assets, such as livestock and crops, are valued at 30 June each year at fair value less estimated point-of-sales costs. Such valuation shall be undertaken by a recognised valuer in the line of the biological assets concerned. Any losses on such valuation shall be debited to the department or

vote concerned as an operating expense, and any increase in the valuation shall be credited to the department or vote concerned as operating revenue.

- (iii) If any biological asset is lost, stolen, or destroyed, the matter – if material – shall be reported in writing by the director concerned in exactly the same manner as though the asset were an ordinary fixed asset.
- (iv) Records of the details of biological assets shall be kept in a separate section of the fixed assets register or in a separate accounting record altogether and such details shall reflect the information which the CFO, in consultation with the director concerned and the internal auditor, deems necessary for accounting and control purposes.
- (v) The CFO shall annually insure the municipality's biological assets, in consultation with the directors concerned, provided the council considers such insurance desirable and affordable.

7. ACCOUNTING FOR ASSETS

7.1(4) Recognition of an Asset

(a) ~~(a)~~ Fixed Assets

- (i) ~~(i)~~ — A fixed asset is an asset with a useful life of more than one year and is used in the business of the municipality. Characteristics of a depreciable fixed asset are the following:
 - It is estimated that the asset will be used for more than one financial period;
 - ~~It has a limited useful life;~~ It should be possible to determine the cost or fair value of the asset reliably;
 - ~~It is used in a process of delivering services;~~
 - The resource should provide future economic benefits or service potential;
 - The future economic benefits or service potential should accrue to the municipality;
 - The event giving rise to the municipality's right to the recourse and control over the future economic benefits must already have occurred; and
 - The cost is above any municipal capitalisation threshold. ~~It should be possible to determine the cost or fair value of the asset reliably.~~
- (ii) A fixed asset is defined in GRAP 17 as a tangible item of property, plant or equipment held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and which is expected to be used during more than one reporting period (financial year).
- (iii) A fixed asset is thus an asset, either movable or immovable, under the control of the municipality, and from which derive economic benefits, or reasonably expects to use in service delivery, over a period extending beyond one financial year.

~~To be recognised as a fixed asset, an asset must also meet the criteria referred to in section 6(3).~~

~~(a)(b)~~ Accounting for leases

- (i) An asset held under a finance lease, shall be recognised as a fixed asset, as the municipality has control over such an asset even though it does not own the asset.
- (ii) Examples of situations that would normally lead to a lease being classified as finance lease are:
 - The lease transfers ownership of the asset to the lessee by the end of the lease term;
 - The lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable such that, at the inception of the lease, it is reasonably certain that the option will be exercised;
 - The lease term is for the major part of the economic life of the asset even if title is not transferred; and
 - At the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset.
- (iii) Indicators of situations that individually or in combination could also lead to a lease being classified as a finance lease are:
 - If the lessee can cancel the lease, the lessor's losses associated with the cancellation are born by the lessee,
 - Gains or losses from the fluctuation in the fair value of the residual fall to the lessee (for example in the form of a rent rebate equalling most of the sales proceeds at the end of the lease), and
 - The lessee has the ability to continue the lease for a secondary period at a rent that is substantially lower than market rent.

~~(b) NOTE: See attached Annexure B, Operating Procedures (AMP03—Leases)~~

~~(c)~~

(c) Recognition of donated assets

Recognition of donated assets

- (i) Where a fixed asset is donated to the municipality, or a fixed asset is acquired by means of an exchange of assets between the municipality and one or more other parties, the asset concerned shall be recorded in the fixed asset register at its fair value, as determined by the CFO.

(d) Recognition of Service Concession Assets

Service Concession Assets under GRAP 32 are recognised when the grantor (public sector entity) controls or regulates the services the operator must provide

with the asset, to whom, and at what price, and controls any significant residual interest in the asset at the end of the arrangement

7.2(2) Measurement

(a) ~~(a)~~ Cost of an asset

Cost of a fixed asset includes the cost of activities (cash or equivalent) necessarily incurred to bring the fixed asset to the condition and location essential for its intended use (e.g. purchase price plus transport and installation).

The following are examples of costs that should be capitalized if it can be directly attributed to the acquisition of the asset or bringing the asset to its working condition:

- ~~• Administration and other general overhead costs;~~
- ~~• Start up and other pre-production costs;~~
- ~~• Interest paid if part of a capital project; and~~
- ~~• Any trade discount and rebates are to be deducted in arriving at the purchase price.~~
 - ~~• Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;~~
 - ~~•~~
 - ~~• any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and~~
 - ~~• the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.~~

(i) Contract costs

Contract costs should comprise:

- Costs that relate directly to the specific contract,
- Costs that are attributable to contract activity in general and can be allocated to the contract, and
- Such other costs are specifically chargeable to the customer under terms of the contract.

Examples of costs that relate directly to a specific contract include:

- Site labour costs, including site supervision,
- Costs of materials used in construction
- Depreciation of plant and equipment used on a contract,
- Costs of moving plant, and equipment to and from the contract site,
- Costs of hiring plant and equipment,

- Costs of design and technical assistance that is directly related to the contract,
- The estimated costs of rectification and guarantee work, including expected warranty costs, and
- Claims from third parties.

Examples of costs that relate to the contract activity in general and can be allocated to specific contracts include:

- Insurance
- Cost of design and technical assistance that are not directly related to a specific contract, and
- Construction overheads.

(ii) Research costs

Research costs should be recognized as an expense in the period in which they are incurred and should not be recognized as an asset.

Examples of activities typically included in research are:

- Activities aimed at obtaining new knowledge,
- The search for applications of research findings or other knowledge,
- The search for product or process alternatives, and
- The formulation and design of possible new or improved product or process alternatives.

(ii) Development costs

The development costs of a project should be recognized as an expense in the period in which they are incurred, unless all of the following criteria are met:

- The product or process is clearly defined and the costs attributable to the product or process can be separately identified and reliably measured.
- The technical feasibility of the produce and market or use the product or process.
- The existence of a market for the product or process or, if it is to be used internally rather than sold, its usefulness to the enterprise can be demonstrated.
- Adequate resources exist, or their availability can be demonstrated, to complete the project and market or use the product or process.

Examples of activities typically included in development are:

- The evaluation of product or process alternatives,
- The design, construction and testing of pre-production prototypes and models,
- The design of tools, jigs, moulds and dies involving new technology, and
- The design, construction and operation of a pilot plant that is not of a scale that is economically feasible for commercial production.

~~(b) Changes in Accounting Estimates~~

- ~~(i) As a result of the uncertainties inherent in business activities, many financial items cannot be measured but can only be estimated. The estimation process is based on judgments based on the latest financial information available. Estimates may be required, for example bad debts, inventory obsolescence or the useful lives or expected pattern of consumption of economic benefits or depreciable assets.~~
- ~~(ii) An estimate may need to be revised if changes occur regarding the circumstances on which the estimate was based or as a result of new information, more experience or subsequent developments.~~
- ~~(iii) In practice the Department may decide to revise the useful life of an asset or a group of assets due to certain circumstances.~~
- ~~(iv) The effect of a change in accounting estimate should be included in the determination of net profit or loss in:
 - ~~• The period of the change if the change effects the period only, or~~
 - ~~• The period of change and future periods, if the change affects both.~~~~

Service Concession assets are initially recognised at fair value, with existing assets reclassified under relevant standards (GRAP 16, 17, 31, or 103)

Where an item has been acquired at no cost, or for a nominal cost, it will be initially measured at its fair value as at the date of acquisition and included in the asset register. All Directors must provide the CFO with the following information for recognition of an asset at no cost:

- Description of the capital asset;
- Date of acquisition;
- Fair value as at date of acquisition;
- Location details;
- Condition rating;
- Expected initial useful life; and

(b) ~~(b)~~ Changes in Accounting Estimates

- (i) As a result of the uncertainties inherent in business activities, many financial items cannot be measured but can only be estimated. The estimation process is based on judgments based on the latest financial information available. Estimates may be required, for example bad debts, inventory obsolescence or the useful lives or expected pattern of consumption of economic benefits or depreciable assets.
- (ii) An estimate may need to be revised if changes occur regarding the circumstances on which the estimate was based or as a result of new information, more experience or subsequent developments.
- (iii) In practice the Department may decide to revise the useful life of an asset or a group of assets due to certain circumstances.
- (iv) The effect of a change in accounting estimate should be included in the determination of net profit or loss in:
 - The period of the change if the change effects the period only, or
 - The period of change and future periods, if the change affects both.

7.3 Threshold

~~(a)~~—Assets (excluding inventory) with an initial cost of **more than R 1 000** ~~R 1500~~ will be recognised as Property, Plant and Equipment. ~~Items with a cost between R 500 and R 1 000 can be capitalised at the discretion of the CFO. All items above R 1 000 must be capitalised. At the discretion of the CFO or delegated official items below or above~~

(a) R 1500 can be capitalised based on recognition criteria and materiality conditions.

~~(a)(b)~~ (b)—Fixed assets with a value of less than ~~R 1 000~~ **R 1500** (except in the case where the CFO has judged otherwise) as described above will be regarded as inventory and not recorded for financial purposes in the fixed asset register. These assets should still be marked or identified for control purposes and indicated as such in an inventory toolbox item list.

(c) Every director shall moreover ensure that the existence of items recorded as on such inventory sheet toolbox item is verified from time to time, and at least once in every financial year, and any amendments which are made ~~to such inventory sheets pursuant to such stock verifications shall~~ be retained for audit purposes.

7.4(4) Capitalisation

(a) Subsequent Expenditure

Subsequent expenditure relating to an asset should be capitalised to the net book value when it is determined that the asset has been enhanced.

(b) Normal Expenditure

(i) No item with an initial cost or fair value of less than ~~R 1 000~~ (one thousand rand) R 1500 (one thousand five hundred rand) – or such other amount as the council of the municipality may from time to time determine on the recommendation of the municipal manager – shall be recognised as a fixed asset. If the item has a cost or fair value lower than this capitalisation benchmark, it shall be treated as an ordinary operating expense.

(ii) Every director shall, however, ensure that any item with a value of less than a ~~R 1 000~~ **R 1500** with an estimated useful life of more than one year, shall be recorded as a toolbox item on an inventory sheet. Every director shall moreover ensure that the existence of items recorded on such inventory sheets is verified from time to time, and at least once in every financial year, and any amendments which are made ~~to such inventory sheets pursuant to such stock verifications shall~~ be retained for audit purposes.

(c) Intangible Items

No intangible item shall be recognised as a fixed asset, except that the CFO, acting in strict compliance with the criteria set out in GRAP 102 (dealing with research and development expenses) may recommend to the council that specific development costs be recognised as fixed assets.

(d) Reinstatement, maintenance, and other expenses

- (i) ~~(i)~~—Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalised.
- (ii) Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalised, irrespective of the quantum of the expenses concerned.
- (iii) Expenses which are reasonably ancillary to the bringing into operation of a fixed asset may be capitalised as part of such fixed asset. Refer to section 7.2(a) for expenses that is viewed as elements of cost. ~~Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, installation, assembly, and communication costs.~~

7.5(5) Useful life

- (a) The determination of asset useful lives is based on best practice and is guided by the Asset Management Guideline for Local Government issued by National Treasury and the City Infrastructure Delivery and Management System (CIDMS) framework. ~~The parameters set for the useful lives of assets are based on best practice as issued by National Treasury in the Local Government Asset Management Guideline.~~
- (b) These guidelines for the useful lives of assets may be adapted based on experience and specific municipal preference.
- (c) The useful life set out for a specific asset will determine the depreciation on the asset.
- (d) It may be necessary to review the useful life of assets as the original estimate of useful life may become inappropriate. Such an adjustment is deemed to be a change in estimate and the depreciation charge for the current and future periods should be adjusted.

NOTE: See attached Annexure A for the useful life table.

7.6(6) Depreciation

- (a) Depreciation of fixed assets

- (i) All fixed assets, except land and heritage assets, shall be depreciated – or amortised in the case of intangible assets.
 - (ii) Depreciation may be defined as the monetary quantification of the extent to which a fixed asset is used or consumed in the provision of economic benefits or the delivery of services.
 - (iii) Depreciation shall generally take the form of an expense both calculated and debited on a monthly basis against the appropriate line item in the directorate or vote in which the asset is used or consumed.
 - (iv) However, depreciation shall initially be calculated from the commissioning date as per the ~~SAMRAS-DB4~~ financial system. Thereafter, depreciation charges shall be calculated monthly.
 - (v) Each director, acting in consultation with the CFO, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable fixed assets controlled or used by the directorate in question or expected to be so controlled or used during the ensuing financial year.
 - (vi) The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other fixed assets.
- (b) Rate of depreciation
- (i) The CFO shall assign a useful operating life to each depreciable asset recorded on the municipality's fixed asset register. In determining such a useful life, the CFO shall adhere to the useful lives set out in the annexure to this document (see Annexure A).
 - (ii) In the case of a fixed asset which is not listed in this annexure, the CFO shall determine a useful operating life, if necessary, in consultation with the director who shall control or use the fixed asset in question and shall be guided in determining such useful life by the likely pattern in which the asset's economic benefits or service potential will be consumed.
- (c) Method of depreciation
- Except in those cases specifically identified in 7(6)(e) below, the CFO shall depreciate all depreciable assets on the straight-line method of depreciation over the assigned useful operating life of the asset in question.
- (d) Amendment of asset lives and diminution in the value of fixed assets
- (i) Only the CFO may amend the useful operating life assigned to any fixed asset, and when any material amendment occurs the CFO shall inform the council of the municipality of such amendment.

- (ii) The CFO shall amend the useful operating life assigned to any fixed asset if it becomes known that such asset has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially affects the pattern in which the asset's economic benefits or service potential will be consumed.
- (iii) If the value of a fixed asset has been diminished to such an extent that it has no or a negligible further useful operating life or value such fixed asset shall be fully depreciated in the financial year in which such diminution in value occurs.
- (iv) Similarly, if a fixed asset has been lost, stolen or damaged beyond repair, it shall be fully depreciated in the financial year in which such event occurs, and if the fixed asset has physically ceased to exist, it shall be removed / excluded from the fixed asset register.
- (v) In all of the foregoing instances, the additional depreciation expenses shall be debited to the directorate or vote controlling or using the fixed asset in question.
- (vi) If any of the foregoing events arise in the case of a normally non-depreciable fixed asset, and such fixed asset has been capitalised at a value other than a purely nominal value, such fixed asset shall be partially or fully depreciated, as the case may be, as though it was an ordinary depreciable asset, and the directorate or vote controlling or using the fixed asset in question shall bear the full depreciation expenses concerned.

~~(e)~~ ~~(e)~~ Alternative methods of depreciation in specific instances

- (i) The CFO may employ the sum-of-units method of depreciation in the case of fixed assets which are physically wasted in providing economic benefits or delivering services.
- (ii) The CFO shall only employ this method of depreciation if the director controlling or using the fixed asset in question gives a written undertaking to the municipal manager to provide:
 - Estimates of statistical information required by the CFO to prepare estimates of depreciation expenses for each financial year; and
 - Actual statistical information, for each financial year.
- (iii) The director concerned shall moreover undertake to provide such statistical information at the specific times stipulated by the CFO.
- (iv) Where the CFO decides to employ the sum-of-units method of depreciation and the requirements set out in the preceding paragraph have been adhered to, the CFO shall inform the council of the municipality of the decision in question.

~~(d)~~ ~~(f)~~ ~~(f)~~ Creation of non-distributable reserves for future depreciation

NOTE: This has been prepared on the assumption that these reserves are allowed.

- (i) The CFO shall ensure that in respect of all fixed assets financed from grants or subsidies or contributions received from other spheres of government or from the public at large, as well as in respect of fixed assets donated to the municipality, a non-distributable reserve for future depreciation is created equal in value to the capitalised value of each fixed asset in question.
- (ii) The CFO shall thereafter ensure that in the case of depreciable fixed assets an amount equal to the monthly depreciation expenses of the fixed asset concerned is transferred each month from such non-distributable reserve to the municipality's appropriation account. Where there is a difference between the budgeted monthly depreciation expenses and the actual total depreciation expenses for each financial year, the CFO shall appropriately adjust the aggregate transfer from the non-distributable reserve for the year concerned.

~~(e)(g)~~ ~~(g)~~ Residual Values

~~George Municipality implements residual values for all assets on the asset register of R1 (one rand) except for Transport Assets where the residual value is a fixed percentage used for all asset types classified as Transport Assets.~~

George Municipality implements residual values for all Transport Assets excluding concession assets (GRAP 32 – GO George service busses). The ~~is~~ residual value is a fixed percentage used for all asset types classified as Transport Assets.

The fixed percentage used as residual is determined by looking at the proceeds realized from three most recent auctions held. An aggregate percentage is then determined based on the ~~proceeds~~ proceeds-selling price received in comparison to the original cost of all transport assets sold at these auctions.

At the completion of each municipal auction the residual value percentage will be recalculated to determine the need for an adjustment to the residual values. Such an adjustment will be applied prospectively, as from the beginning of the following financial year.

7.7(7) Carrying Values of Fixed Assets

All fixed assets shall be carried in the fixed asset register, and appropriately recorded in the annual financial statements, at their original cost or fair value less any accumulated depreciation.

The only exceptions to this rule shall be revalued assets and heritage assets in respect of which no value is recorded in the fixed asset register.

7.8(8) Revaluation of Fixed Assets

- (a) Revalued land and buildings can be carried in the fixed asset register, and recorded in the annual financial statements, at their revalued amount, less accumulated depreciation (in the case of buildings).

- (b) George Municipality utilises the cost method and thus point (a) above does not apply.

7.9(9) Impairment

The assessment and accounting treatment relating to impairment of capital assets (Prescribed in terms of GRAP 21 and 26) are outlined as follows:

- a) Each Senior Manager must assess all capital assets controlled by him/her for any indications of impairment.
- b) When assessing the capital assets for impairments the capital assets must be assessed for both external and internal indicators

The accounting treatment relating to impairment losses is outlined as follows in-

- GRAP 21 Impairment of Non-cash-generating Assets
- GRAP 26 Impairment of Cash-generating Assets

The following may be indicators that an item of PPE has become impaired:

- The asset has been physically damaged.
- The asset has become technologically obsolete.
- The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
- Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.

For Property, Plant & Equipment under GRAP 17:

Indicators of impairment include physical damage, obsolescence, under-utilisation, adverse legal or economic changes, or a decision to discontinue or dispose of an asset.

Where indicators of impairment exist, the Municipality shall determine whether the asset's carrying amount exceeds its recoverable value. For non-cash-generating assets, the carrying amount shall be compared to the recoverable service amount, while for cash-generating assets, the carrying amount shall be compared to the recoverable amount, being the higher of fair value less costs to sell and value in use. If the carrying amount exceeds the recoverable service amount or recoverable amount, the difference shall be recognised as an impairment loss, and the asset's value shall be adjusted accordingly in the Fixed Asset Register and reflected in the annual financial statements.

The carrying amount (Book value) of an item or a group of identical items of property, plant and equipment should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount.

Recoverable amount is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal. When such a decline has occurred,

~~the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognised as an expense immediately.~~

~~The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to recoverable amount on an individual asset, or group of identical assets, basis. However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of recoverable amount.~~

~~The following may be indicators that an item of PPE has become impaired:~~

- ~~• The asset has been damaged.~~
- ~~• The asset has become technologically obsolete.~~
- ~~• The asset remains idle for a considerable period either prior to it being put into use or during its useful life.~~
- ~~• Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.~~

7.10(10) Property Inventory

Property Inventory is valued at the lower of cost or Net Realisable Value (NRV).

To determine the NRV the following process is followed:

- The current year's Municipal land sales of that specific area/suburb, as captured in the Land Sales Register, is used.
- In cases where no municipal land is sold the sale of private property (in the same area/suburb) for the current year will be used, and not the value as per the Valuation Roll. This information is furnished from the Income Section and financial system./SAMRAS.
- When no sales have been recorded for the year, the erven will be left at cost. This method is utilised by the Municipality since it makes use of current year sales whilst the Valuation Roll values are determined using historic sales.

8. MSCOA

mSCOA prescribes the method and format that municipalities and their entities should use to record and classify all expenditure (capital and operating), revenue, assets, liabilities, equity, policy outcomes and legislative reporting.

mSCOA impacts on Asset Management in a number of ways and since this reform is not yet a finished article it will continue to require adaption from all officials, also those in the AMU.

This Policy has been drafted in accordance ~~to~~with GRAP and the MFMA but does not contravene any mSCOA principles as it stands.

9. STANDARD OPERATING PROCEDURES

This Standard Operating Procedure will be reviewed on a needs basis and approved by the Chief Financial Officer (CFO) to ensure alignment with the relevant policy.

ASSET POLICY

This Policy is effective from the date of approval by the Council, as per the approved system of Delegations of the George Municipality.

Signed at GEORGE on the ____ day of June 2026.

**MR BR ELLMAN
ACTING MUNICIPAL MANAGER**

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ANNEXURE A – ASSET LIVES

<u>Asset Type</u>	<u>Asset Sub-type</u>	<u>Asset Category</u>	<u>Asset Sub-category</u>	<u>Asset Class</u>	<u>Std.Lifetime in Years</u>
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	HV Substation	Fencing electricity	3
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	HV Substation	Fencing Clear view electricity	30
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	HV Substation	Boundary Wall electricity	60
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	HV Substation	Other Fencing electricity	60
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	HV Substation	Load control equipment	20
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	HV Substation	Paving HV Substation	20
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	MV Substation	Transformer kiosks	30
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	MV Substation	Security systems electricity Substation	5
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	MV Substation	Fencing Clear view electricity	30
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	MV Substation	Boundary Wall electricity	60
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	MV Substation	Other Fencing electricity	60
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	MV Substation	Paving MV Substation	20
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	MV Switching Station	Switchgear equipment	20
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	MV Network	Mains electricity	20
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	LV Network	Meters electricity	20
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	LV Network	Street lighting	25
Property, plant and equipment	Infrastructure Assets	Electrical Infrastructure	LV Network	Supply/reticulation electricity	20

<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Electrical Infrastructure</u>	<u>LV Network</u>	<u>High Mast Light</u>	<u>50</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Electrical Infrastructure</u>	<u>Power Plants</u>	<u>Cooling towers</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Electrical Infrastructure</u>	<u>Power Plants</u>	<u>Power stations</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Electrical Infrastructure</u>	<u>Power Plants</u>	<u>Fencing Clear view elec</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Electrical Infrastructure</u>	<u>Power Plants</u>	<u>Boundary Wall electricity</u>	<u>60</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Electrical Infrastructure</u>	<u>Power Plants</u>	<u>Other Fencing electricity</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Electrical Infrastructure</u>	<u>Power Plants</u>	<u>Paving power station</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Roads</u>	<u>Motorways</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Roads</u>	<u>Other roads</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Road Structures</u>	<u>Car parks</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Road Structures</u>	<u>Kerbing</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Road Structures</u>	<u>Overhead bridges</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Road Structures</u>	<u>Bridges</u>	<u>50</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Road Furniture</u>	<u>Bus stop</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Road Furniture</u>	<u>Footways</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Road Furniture</u>	<u>Paving</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Road Furniture</u>	<u>Street names & traffic signs</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Road Furniture</u>	<u>Traffic islands</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Road Furniture</u>	<u>Traffic lights</u>	<u>20</u>

<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Road Furniture</u>	<u>Commuter shelter</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Road Furniture</u>	<u>Guard rails</u>	<u>25</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Road Furniture</u>	<u>Street Rubbish bins</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Roads Infrastructure</u>	<u>Road Furniture</u>	<u>Speed Humps</u>	<u>50</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Stormwater Infrastructure</u>	<u>Drainage Collection</u>	<u>Stormwater drains</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Stormwater Infrastructure</u>	<u>Conveyance</u>	<u>Bridges, subways & Culverts</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Stormwater Infrastructure</u>	<u>Conveyance</u>	<u>Culverts</u>	<u>60</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Stormwater Infrastructure</u>	<u>Attenuation</u>	<u>Gabions</u>	<u>40</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Stormwater Infrastructure</u>	<u>Attenuation</u>	<u>Retaining Wall</u>	<u>40</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Pump Stations</u>	<u>Access control sewer pump station</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Pump Stations</u>	<u>Fencing sewer pump station</u>	<u>3</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Pump Stations</u>	<u>Fencing Clear view sewer pump station</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Pump Stations</u>	<u>Boundary Wall sewer pump station</u>	<u>60</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Pump Stations</u>	<u>Other Fencing sewer pump station</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Pump Stations</u>	<u>Security lighting sewer pump station</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Pump Stations</u>	<u>Security systems sewer pump station</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Pump Stations</u>	<u>Sewerage pumps</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Pump Stations</u>	<u>Paving Sewer pump station</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Reticulation</u>	<u>Sewers</u>	<u>20</u>

<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Waste Water Treatment</u>	<u>Access control waste water</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Waste Water Treatment</u>	<u>Fencing waste water</u>	<u>3</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Waste Water Treatment</u>	<u>Fencing Clear view waste water</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Waste Water Treatment</u>	<u>Boundary Wall waste water</u>	<u>60</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Waste Water Treatment</u>	<u>Other Fencing waste water</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Waste Water Treatment</u>	<u>Purification works</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Waste Water Treatment</u>	<u>Security lighting waste water</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Waste Water Treatment</u>	<u>Security systems waste water</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Waste Water Treatment</u>	<u>Sludge machines</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Waste Water Treatment</u>	<u>Paving waste water</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Sanitation Infrastructure</u>	<u>Outfall Sewers</u>	<u>Outfall sewers</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Bulk Mains</u>	<u>Mains water</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Distribution Water</u>	<u>Pipelines</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Distribution Water</u>	<u>Rights</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Distribution Water</u>	<u>Supply/reticulation water</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Water Distribution Points</u>	<u>Meters water</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Pump Station Water</u>	<u>Access control water pump station</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Pump Station Water</u>	<u>Fencing water pump station</u>	<u>3</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Pump Station Water</u>	<u>Fencing Clear view water pump station</u>	<u>30</u>

<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Pump Station Water</u>	<u>Boundary Wall water pump station</u>	<u>60</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Pump Station Water</u>	<u>Other Fencing water pump station</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Pump Station Water</u>	<u>Paving Water Pump Station</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Pump Station Water</u>	<u>Pump stations</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Pump Station Water</u>	<u>Security lighting water pump station</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Pump Station Water</u>	<u>Security systems water pump station</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Reservoir Water</u>	<u>Reservoirs & tanks</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Reservoir Water</u>	<u>Fencing Clear view Reservoir</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Water Treatment Works</u>	<u>Access control water</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Water Treatment Works</u>	<u>Fencing water</u>	<u>3</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Water Treatment Works</u>	<u>Paving water</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Water Treatment Works</u>	<u>Fencing Clear view water</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Water Treatment Works</u>	<u>Boundary Wall water</u>	<u>60</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Water Treatment Works</u>	<u>Other Fencing water</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Water Treatment Works</u>	<u>Purification works</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Water Treatment Works</u>	<u>Security lighting water</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Water Supply Infrastructure</u>	<u>Water Treatment Works</u>	<u>Security systems water</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Solid Waste Infrastructure</u>	<u>Landfill Sites</u>	<u>Landfill site</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Solid Waste Infrastructure</u>	<u>Landfill Sites</u>	<u>Landfill George</u>	<u>3</u>

<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Solid Waste Infrastructure</u>	<u>Landfill Sites</u>	<u>Fencing Clear view landfill</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Solid Waste Infrastructure</u>	<u>Landfill Sites</u>	<u>Boundary Wall landfill</u>	<u>60</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Solid Waste Infrastructure</u>	<u>Landfill Sites</u>	<u>Other Fencing landfill</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Solid Waste Infrastructure</u>	<u>Transfer Station</u>	<u>Transfer station</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Solid Waste Infrastructure</u>	<u>Transfer Station</u>	<u>Paving Transfer station</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Solid Waste Infrastructure</u>	<u>Transfer Station</u>	<u>Fencing Clear view Transfer station</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Solid Waste Infrastructure</u>	<u>Transfer Station</u>	<u>Boundary Wall Transfer station</u>	<u>60</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Solid Waste Infrastructure</u>	<u>Transfer Station</u>	<u>Other Fencing Transfer station</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Information and communications infrastructure</u>	<u>Network</u>	<u>Fibre network</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Information and communications infrastructure</u>	<u>Network</u>	<u>CCTV network</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Information and communications infrastructure</u>	<u>Network</u>	<u>Local Area network</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Information and communications infrastructure</u>	<u>Network</u>	<u>Communication network</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Municipal Offices</u>	<u>Access control buildings</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Municipal Offices</u>	<u>Buildings</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Municipal Offices</u>	<u>Fencing buildings</u>	<u>3</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Municipal Offices</u>	<u>Fencing Clear buildings</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Municipal Offices</u>	<u>Boundary Wall buildings</u>	<u>60</u>

<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Municipal Offices</u>	<u>Other Fencing buildings</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Municipal Offices</u>	<u>Municipal buildings</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Municipal Offices</u>	<u>Office Buildings</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Municipal Offices</u>	<u>Other structures</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Municipal Offices</u>	<u>Security lighting buildings</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Municipal Offices</u>	<u>Security systems buildings</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Municipal Offices</u>	<u>Town planning</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Municipal Offices</u>	<u>Flood lights Buildings</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Municipal Offices</u>	<u>Paving buildings</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Pay/Enquiry Points</u>	<u>Post Office</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Workshops</u>	<u>Workshop</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Laboratories</u>	<u>Laboratories</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Training Centres</u>	<u>Training Centres</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Depots</u>	<u>Animal-pound</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Depots</u>	<u>Asphalt plant</u>	<u>30</u>

<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Depots</u>	<u>Compacting stations</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Depots</u>	<u>Kilns</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Depots</u>	<u>Pound vehicles</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Operational Buildings Depots</u>	<u>Transport facilities</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Housing Staff Housing</u>	<u>Hostels</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Housing Staff Housing</u>	<u>Municipal houses</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Housing Social Housing</u>	<u>Housing Schemes</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Buildings</u>	<u>Housing Social Housing</u>	<u>Informal housing</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Aircraft/balloons</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Ambulances</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Bus Go George</u>	<u>12</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Bus Go George Minibus</u>	<u>6</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Buses</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Cable cars</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Compactor - landfill</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Compactor truck - refuse</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Dumper - concrete</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Fire engines</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Graders</u>	<u>15</u>

<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Loader - front-end</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Mechanical horses</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Motorcycles</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Roller - mechanically driven</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Street sweeper - mech.driven</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Tractors</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Tipplers</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Trucks/bakkies</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Vehicles</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Vehicles Leased</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Transport Assets</u>	<u>Transport</u>	<u>Watercraft/boats</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Broom - drawn</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Bulk containers</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Canopy</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Caravan</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Cleaner - steam</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Compactor - plate</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Compressors</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Control system/tracker</u>	<u>5</u>

<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Conveyors</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Cremators</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Drill - concrete</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Electrical equipment</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Emergency light</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Equipment</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Equipment/apparatus - Clinic/H</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Equipment/apparatus - Traffic</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Farm equipment</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Feeders</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Firearms</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Fire equipment</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Fire hoses</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>General plant</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Generator</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Hoist - refuse bins</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Household refuse bins</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Irrigation systems</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Laboratory equipment</u>	<u>5</u>

<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Lathes</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Lawnmowers</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Loader - drill</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Millig equipment</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Mixer - concrete</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Outboard motor</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Pulverizing mills</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Pumps</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Radio equipment</u>	<u>8</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Road maintenance equipment</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Roller - pavement</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Roller - water/ballast</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Telecommunication equipment</u>	<u>8</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Tools</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Trailers</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Welder</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Audio Equipment</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Fire and Rescue Equipment</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Tools Workshop</u>	<u>5</u>

<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Machinery and Equipment</u>	<u>Machinery and Equipment</u>	<u>Tools Gardening</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Furniture and Office Equipment</u>	<u>Furniture and Office Equipment</u>	<u>Air conditioners</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Furniture and Office Equipment</u>	<u>Furniture and Office Equipment</u>	<u>Cabinets/cupboards</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Furniture and Office Equipment</u>	<u>Furniture and Office Equipment</u>	<u>Chairs</u>	<u>7</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Furniture and Office Equipment</u>	<u>Furniture and Office Equipment</u>	<u>Miscellaneous furniture</u>	<u>7</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Furniture and Office Equipment</u>	<u>Furniture and Office Equipment</u>	<u>Office machines</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Furniture and Office Equipment</u>	<u>Furniture and Office Equipment</u>	<u>Tables/desks</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Furniture and Office Equipment</u>	<u>Furniture and Office Equipment</u>	<u>Kitchen Appliances</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Computer Equipment</u>	<u>Computer hardware</u>	<u>Computer hardware</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Computer Equipment</u>	<u>Computer hardware</u>	<u>Audio Visual Equipment</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Community centres</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Fencing halls</u>	<u>3</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Fencing Clear view halls</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Boundary Wall halls</u>	<u>60</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Other Fencing halls</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Organ and case</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Beach developments</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Hostels-public/tourist</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Creches</u>	<u>30</u>

<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Care centres</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Clinics/hospitals</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Old age homes</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Ambulance stations</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Fire stations</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Testing station</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Traffic stations</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Museum</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Cinemas</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Civic theatres</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Libraries</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Cemeteries</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Police stations</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Caravan parks</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Farms</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Fountains</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Lakes and dams</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Monuments</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Nurseries</u>	<u>30</u>

<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Parks</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Play Park Equipment</u>	<u>10</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Game reserves/rest camps</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Public conveniences/bathhouses</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Markets</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Abattoirs</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Bus terminals</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Indoor sports</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Recreation centres</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Access control community</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Bowling greens</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Fencing community</u>	<u>3</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Fencing Clear view community</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Boundary Wall community</u>	<u>60</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Other Fencing community</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Floodlighting</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Golf courses</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Jukskei pitches</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Netball courts</u>	<u>20</u>

<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Outdoor sports facilities</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Security lighting community</u>	<u>15</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Security systems community</u>	<u>5</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Stadiums</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Swimming pools</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Tennis courts</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Paving Community</u>	<u>20</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Aquariums</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Community Facilities</u>	<u>Zoos</u>	<u>30</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Business</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Business industrial</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Cemeteries</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Churches</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Commage</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Creche</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>General residential</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Government</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Industrial</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Institutions</u>	<u>0</u>

<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Open place</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Other land</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Parking</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Private open space</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Public open space</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Roads</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Single residential</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Special housing</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Land</u>	<u>Land</u>	<u>Land</u>	<u>Vacant land</u>	<u>0</u>
<u>Heritage Assets</u>	<u>Heritage Assets</u>	<u>Heritage Assets</u>	<u>Buildings Heritage</u>	<u>Heritage buildings</u>	<u>0</u>
<u>Heritage Assets</u>	<u>Heritage Assets</u>	<u>Heritage Assets</u>	<u>Land Heritage</u>	<u>Heritage sites</u>	<u>0</u>
<u>Investment Property</u>	<u>Investment Property</u>	<u>Investment Property</u>	<u>Improved Properties</u>	<u>Buildings investment</u>	<u>30</u>
<u>Investment Property</u>	<u>Investment Property</u>	<u>Investment Property</u>	<u>Unimproved Properties</u>	<u>Municipal erven investment</u>	<u>0</u>
<u>Investment Property</u>	<u>Investment Property</u>	<u>Investment Property</u>	<u>Unimproved Properties</u>	<u>Undetermined erven investment</u>	<u>0</u>
<u>Intangible Assets</u>	<u>Intangible Assets</u>	<u>Intangible Assets</u>	<u>Computer Software</u>	<u>Computer software</u>	<u>3</u>
<u>Intangible Assets</u>	<u>Intangible Assets</u>	<u>Intangible Assets</u>	<u>Computer Software</u>	<u>Valuation Roll</u>	<u>3</u>
<u>Property, plant and equipment</u>	<u>Infrastructure Assets</u>	<u>Infrastructure Assets</u>	<u>Work in Progress Outsourced</u>	<u>Infrastructure</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Community Assets</u>	<u>Community Assets</u>	<u>Work in Progress Outsourced</u>	<u>Community</u>	<u>0</u>
<u>Property, plant and equipment</u>	<u>Other Assets</u>	<u>Other Assets</u>	<u>Work in Progress Outsourced</u>	<u>Other</u>	<u>0</u>
<u>Intangible Assets</u>	<u>Intangible Assets</u>	<u>Intangible Assets</u>	<u>Work in Progress Outsourced</u>	<u>Intangible Assets</u>	<u>0</u>
<u>Heritage Assets</u>	<u>Heritage Assets</u>	<u>Heritage Assets</u>	<u>Buildings Heritage</u>	<u>Heritage buildings</u>	<u>0</u>

<u>Heritage Assets</u>	<u>Heritage Assets</u>	<u>Heritage Assets</u>	<u>Land Heritage</u>	<u>Heritage sites</u>	<u>0</u>
<u>Investment Property</u>	<u>Investment Property</u>	<u>Investment Property</u>	<u>Investment Properties Rev Gen Improved Properties</u>	<u>Buildings investment</u>	<u>30</u>
<u>Investment Property</u>	<u>Investment Property</u>	<u>Investment Property</u>	<u>Investment Properties Rev Gen Unimproved Properties</u>	<u>Municipal erven investment</u>	<u>0</u>
<u>Investment Property</u>	<u>Investment Property</u>	<u>Investment Property</u>	<u>Investment Properties Rev Gen Unimproved Properties</u>	<u>Undetermined erven investment</u>	<u>0</u>
<u>Intangible Assets</u>	<u>Intangible Assets</u>	<u>Intangible Assets</u>	<u>Intangibles & Intellectual Computer Software</u>	<u>Computer software</u>	<u>3</u>
<u>Intangible Assets</u>	<u>Intangible Assets</u>	<u>Intangible Assets</u>	<u>Intangibles & Intellectual Computer Software</u>	<u>Valuation Roll</u>	<u>3</u>

<u>Asset Category:</u>	<u>A INFRASTRUCTURE</u>	-	-	-
<u>Type</u>	<u>Description</u>	<u>Std.Lifetime</u>	<u>National Treasury</u>	<u>SCOA Cat.</u>
<u>Asset</u>	-	<u>in Years</u>	<u>Asset Man. Line</u>	-
-	-	-	-	-
<u>Sub-group :</u>	<u>HVSUB HV Substation</u>	-	-	<u>HN0202</u>
-	-	-	-	-
<u>ACCES</u>	<u>Access control electricity</u>	<u>5</u>	<u>3100</u>	-
<u>FENCE</u>	<u>Fencing electricity</u>	<u>3</u>	<u>3100</u>	-
<u>FENCCE</u>	<u>Fencing Clear view elec</u>	<u>30</u>		<u>CIDMS</u>
<u>FENCBE</u>	<u>Boundary Wall electricity</u>	<u>60</u>		<u>CIDMS</u>
<u>FENCOE</u>	<u>Other Fencing electricity</u>	<u>60</u>		<u>CIDMS</u>
<u>LOADG</u>	<u>Load control equipment</u>	<u>20</u>	<u>600</u>	-
<u>SECUL</u>	<u>Security lighting electricity</u>	<u>15</u>	<u>3100</u>	-
<u>SECUR</u>	<u>Security systems electricity</u>	<u>5</u>	<u>3100</u>	-
-	<u>Paving HV Substation</u>	<u>20</u>		
-	-	-	-	-
<u>Sub-group :</u>	<u>MVSUB MV Substation</u>	-	-	<u>HN0204</u>
-	-	-	-	-
<u>TRAKS</u>	<u>Transformer kiosks</u>	<u>30</u>	<u>600</u>	-

Asset Category:	A INFRASTRUCTURE	-	-	-
SECURS	Security systems electricity Substation	-5	3100	-
	Fencing Clear view elec	30		
	Boundary Wall electricity	60		
	Other Fencing electricity	60		
	Paving MV Substation	20		
Sub-group:	MVSWS MV Switching Station	-	-	HN0205
	-	-	-	-
SWGR	Switchgear equipment	20	600	-
-	-	-	-	-
Sub-group:	MVNW MV Networks	-	-	HN0206
	-	-	-	-
MAINE	Mains electricity	20	600	-
-	-	-	-	-
Sub-group:	LVNW LV Networks	-	-	HN0207
	-	-	-	-
METE	Meters electricity	20	600	-
STLIT	Street lighting	25	900	-
SUPRE	Supply/reticulation electricity	20	600	-
	High Mast Light	50		
-	-	-	-	-
Sub-group:	POWPL Power Plants	-	-	HN0208
	-	-	-	-
COOLT	Cooling towers	30	600	-
POWST	Power stations	30	600	-
	Fencing Clear view elec	30		
	Boundary Wall electricity	60		
	Other Fencing electricity	30		
	Paving power station	20		
-	-	-	-	-
Sub-group:	ROADS Roads,Pavements,Bridges	-	-	ON0001
	-	-	-	-
Sub-group:	ROADS Roads,Pavements,Bridges -Roads	-	-	ON000101
	-	-	-	-
MOTWY	Motorways	15	300	-
ROADS	Other roads	10	300	-

Asset Category:	A INFRASTRUCTURE	-	-	-
-	-	-	-	-
Sub-group:	<u>ROADS</u> <u>Roads,Pavements,Bridges</u> <u>-Road Structures</u>	-	-	<u>ON000102</u>
-----	-	-	-	-
CPARK	Car parks	20	500	-
KERB	Kerbing	20	300	-
OVRD	Overhead bridges	30	300	-
-	-	-	-	-
Sub-group:	<u>ROADS</u> <u>Roads,Pavements,Bridges</u> <u>-Road Furniture</u>	-	-	<u>ON000103</u>
-----	-	-	-	-
BUSST	Bus stop	20	500	-
FOOTW	Footways	20	300	-
PAVE	Paving	20	300	-
SECRR	Security systems roads	5	3100	-
TSIGN	Street names & traffic signs	20	300	-
TRISL	Traffic islands	10	300	-
TRLIT	Traffic lights	20	300	-
		30		
	<u>Commuter shelter</u>			
	<u>Guard rails</u>	25		
	<u>Street Rubbish bins</u>	20		
Sub-group:	<u>STORM Stormwater</u>	-	-	<u>XN0001</u>
-----	-	-	-	-
Sub-group:	<u>STORM Stormwater</u> <u>Drainage Collection</u>	-	-	<u>XN000101</u>
-----	-	-	-	-
SWDRN	Stormwater drains	20	300	-
-	-	-	-	-
Sub-group:	<u>STORM Stormwater</u> <u>Conveyance</u>	-	-	<u>XN000102</u>
-----	-	-	-	-
BRIDG	Bridges, subways & culverts	30	300	-
<u>CULVR</u>	<u>-culverts</u>	60	720	-
Sub-group:	<u>SEWER Waste Water</u> <u>Management</u>	-	-	<u>JN0001</u>
-----	-	-	-	-
Sub-group:	<u>SEWER Waste Water</u> <u>Management Pump</u> <u>Stations</u>	-	-	<u>JN000101</u>

Asset Category:	A INFRASTRUCTURE	-	-	-
-	-	-	-	-
ACCSP	Access control sewer pump station	5	3100	-
FENCP	Fencing sewer pump station	3	3100	-
	<u>Fencing Clear view sewer pump station</u>	<u>30</u>		
	<u>Boundary Wall sewer pump station</u>	<u>60</u>		
	<u>Other Fencing sewer pump station</u>	<u>30</u>		
SECLP	Security lighting sewer pump station	15	3100	-
SECRP	Security systems sewer pump station	5	3100	-
SPUMP	Sewerage pumps	15	700	-
	<u>Paving Sewer pump station</u>	<u>20</u>		
-	-	-	-	-
Sub-group :	SEWER Waste Water Management Reticulation	-	-	JN000102
-	-	-	-	-
SEWER	Sewers	20	700	-
-	-	-	-	-
Sub-group :	SEWER Waste Water Management Waste Water Treatment	-	-	JN000103
-	-	-	-	-
ACCSS	Access control waste water	5	3100	-
FENCS	Fencing waste water	3	3100	-
	<u>Fencing Clear view waste water</u>	<u>30</u>		
	<u>Boundary Wall waste water</u>	<u>60</u>		
	<u>Other Fencing waste water</u>	<u>30</u>		
PURWK	Purification works	20	700	-
SECLS	Security lighting waste water	15	3100	-
SECRS	Security systems waste water	5	3100	-
SLDMG	Sludge machines	15	700	-
	<u>Paving waste water</u>	<u>20</u>		
-	-	-	-	-

Asset Category:	<u>A INFRASTRUCTURE</u>	-	-	-
Sub-group:	<u>SEWER Waste Water Management Outfall Sewers</u>	-	-	<u>JN000104</u>
-	-	-	-	-
OUTFL	Outfall sewers	20	700	-
-	-	-	-	-
Sub-group:	<u>BULKM Bulk Mains</u>	-	-	<u>IN0202</u>
-	-	-	-	-
MAINW	Mains water	20	400	-
-	-	-	-	-
Sub-group:	<u>DISTW Distribution Water</u>	-	-	<u>IN0204</u>
-	-	-	-	-
PIPE	Pipelines	20	400	-
RIGHT	Rights	20	400	-
SUPRW	Supply/reticulation water	20	400	-
-	-	-	-	-
Sub-group:	<u>DISTW Water Distribution Points</u>	-	-	<u>IN020401</u>
-	-	-	-	-
METW	Meters water	15	400	-
-	-	-	-	-
Sub-group:	<u>PMPSW Pump Station Water</u>	-	-	<u>IN0205</u>
-	-	-	-	-
ACCSW	Access control water pump station	5	3100	-
FENCW	Fencing water pump station	3	3100	-
	<u>Fencing Clear view water pump station</u>	<u>30</u>		
	<u>Boundary Wall water pump station</u>	<u>60</u>		
	<u>Other Fencing water pump station</u>	<u>30</u>		
	<u>Paving Water Pump Station</u>	<u>20</u>		
PUMPW	Pump stations	20	400	-
SECLW	Security lighting water pump station	15	3100	-
SECRW	Security systems water pump station	5	3100	-
-	-	-	-	-
Sub-group:	<u>RESW Reservoir Water</u>	-	-	<u>IN0206</u>
-	-	-	-	-
TANKW	Reservoirs & tanks	20	400	-

Asset Category:	A INFRASTRUCTURE	-	-	-
-	-	-	-	-
Sub-group:	<u>WTWK Water Treatment Works</u>	-	-	<u>IN0208</u>
-	-	-	-	-
ACGST	Access control water	5	3100	-
FENCT	Fencing water	3	3100	-
	<u>Paving water</u>	<u>20</u>		
	<u>Fencing Clear view water</u>	<u>30</u>		
	<u>Boundary Wall water</u>	<u>60</u>		
	<u>Other Fencing water</u>	<u>30</u>		
PURWW	Purification works	20	700	-
SECLT	Security lighting water	15	3100	-
SECRT	Security systems water	5	3100	-
-	-	-	-	-
Sub-group:	<u>WASTE Waste Management</u>	-	-	<u>KN0001</u>
-	-	-	-	-
Sub-group:	<u>WASTE Waste Management Landfill Sites</u>	-	-	<u>KN000101</u>
-	-	-	-	-
LANDF	Landfill site	5	1000	-
TIPSG	Landfill George	3	1000	-
	<u>Fencing Clear view landfill</u>	<u>30</u>		
	<u>Boundary Wall landfill</u>	<u>60</u>		
	<u>Other Fencing landfill</u>	<u>30</u>		
-	-	-	-	-
Sub-group:	<u>WASTE Waste Management Transfer Station</u>	-	-	<u>KN000102</u>
-	-	-	-	-
TIPST	Transfer station	30	1000	-
	<u>Paving Transfer station</u>	<u>20</u>		
	<u>Fencing Clear view Transfer station</u>	<u>30</u>		
	<u>Boundary Wall Transfer station</u>	<u>60</u>		
	<u>Other Fencing Transfer station</u>	<u>30</u>		
Sub-group:	<u>Information and Communication Infrastructure</u>			
	<u>Fibre network</u>	<u>15</u>		
	<u>GCTV network</u>	<u>5</u>		

Asset Category:	<u>A INFRASTRUCTURE</u>	-	-	-
	<u>Local Area network</u>	<u>5</u>		
	<u>Communication network</u>	<u>15</u>		
-	-	-	-	-
Asset Category:	<u>B COMMUNITY</u>	-	-	-
-	-	-	-	-
Sub-group:	<u>BLDC Community</u>	-	-	<u>YN0001</u>
-----	-	-	-	-
Sub-group:	<u>BLDC Community Halls</u>	-	-	<u>YN000101</u>
-----	-	-	-	-
COMG	Community centres	30	1700	-
FENG	Fencing halls	3	3100	-
	<u>Fencing Clear view halls</u>	<u>30</u>		
	<u>Boundary Wall halls</u>	<u>60</u>		
	<u>Other Fencing halls</u>	<u>30</u>		
ORGAN	Organ and case	20	2200	-
-	-	-	-	-
Sub-group:	<u>BLDC Community Centres</u>	-	-	<u>YN000102</u>
-----	-	-	-	-
BEACH	Beach developments	30	1900	-
HOSTP	Hostels public/tourist	30	2200	-
-	-	-	-	-
Sub-group:	<u>BLDC Community Creches</u>	-	-	<u>YN000103</u>
-----	-	-	-	-
GRECC	Creches	30	2200	-
-	-	-	-	-
Sub-group:	<u>BLDC Community Clinics/Care Centres</u>	-	-	<u>YN000104</u>
-----	-	-	-	-
CAREC	Care centres	30	2200	-
HOSP	Clinics/hospitals	30	2000	-
OLDAG	Old age homes	30	2200	-
-	-	-	-	-
Sub-group:	<u>BLDC Community Fire/Ambulance Stations</u>	-	-	<u>YN000105</u>
-----	-	-	-	-
AMBST	Ambulance stations	30	2200	-
FIRES	Fire stations	30	2200	-
-	-	-	-	-
Sub-group:	<u>BLDC Community Testing Stations</u>	-	-	<u>YN000106</u>

Asset Category:	<u>A INFRASTRUCTURE</u>	-	-	-
-----	-	-	-	-
CABST	Testing station	30	2200	-
	<u>Traffic stations</u>	30		
-	-	-	-	-
<u>Sub-group :</u>	<u>BLDC Community Museums</u>	-	-	<u>YN000107</u>
-----	-	-	-	-
MUSE	Museum	30	2100	-
-	-	-	-	-
<u>Sub-group :</u>	<u>BLDC Community Theatres</u>	-	-	<u>YN000109</u>
-----	-	-	-	-
CINEM	Cinemas	30	2200	-
THEAT	Civic theatres	30	1900	-
-	-	-	-	-
<u>Sub-group :</u>	<u>BLDC Community Libraries</u>	-	-	<u>YN000110</u>
-----	-	-	-	-
LIBR	Libraries	30	1800	-
-	-	-	-	-
<u>Sub-group :</u>	<u>BLDC Community Cemeteries/Crematoria</u>	-	-	<u>YN000111</u>
-----	-	-	-	-
CEMET	Cemeteries	30	2200	-
-	-	-	-	-
<u>Sub-group :</u>	<u>BLDC Community Police</u>	-	-	<u>YN000112</u>
-----	-	-	-	-
POLST	Police stations	30	2200	-
-	-	-	-	-
<u>Sub-group :</u>	<u>BLDC Community Public Open Space</u>	-	-	<u>YN000114</u>
-----	-	-	-	-
CARAP	Caravan parks	30	3200	-
FARMS	Farms	30	3200	-
FOUNT	Fountains	20	1900	-
LAKES	Lakes and dams	20	1900	-
MONUM	Monuments	30	3120	-
NURSR	Nurseries	30	3200	-
PARKS	Parks	30	1500	-
-	-	-	-	-
<u>Sub-group :</u>	<u>BLDC Community Nature Reserves</u>	-	-	<u>YN000115</u>
-----	-	-	-	-

Asset Category:	A INFRASTRUCTURE	-	-	-
GAMER	Game reserves/rest camps	30	1900	-
-	-	-	-	-
<u>Sub-group:</u>	<u>BLDC Community Public Ablution Facilities</u>	-	-	<u>YN000116</u>
PUBCN	Public conveniences/bathhouses	30	2200	-
-	-	-	-	-
<u>Sub-group:</u>	<u>BLDC Community Markets</u>	-	-	<u>YN000117</u>
-	-	-	-	-
MARKT	Markets	30	2900	-
-	-	-	-	-
<u>Sub-group:</u>	<u>BLDC Community Abattoirs</u>	-	-	<u>YN000119</u>
-	-	-	-	-
ABATR	Abattoirs	30	2800	-
-	-	-	-	-
<u>Sub-group:</u>	<u>BLDC Community Taxi ranks/Bus Terminals</u>	-	-	<u>YN000121</u>
-	-	-	-	-
BTERM	Bus terminals	30	500	-
-	-	-	-	-
<u>Sub-group:</u>	<u>BLDC Community Sport and Recreation Indoor Facilities</u>	-	-	<u>YN000141</u>
-	-	-	-	-
INSPT	Indoor sports	30	1600	-
RECRG	Recreation centres	30	1900	-
-	-	-	-	-
<u>Sub-group:</u>	<u>BLDC Community Sport and Recreation Outdoor Facilities</u>	-	-	<u>YN000142</u>
-	-	-	-	-
AGCSB	Access control community	5	3100	-
BOWLG	Bowling greens	20	1600	-
FENCB	Fencing community	3	3100	-
	<u>Fencing Clear view community</u>	<u>30</u>		
	<u>Boundary Wall community</u>	<u>60</u>		
	<u>Other Fencing community</u>	<u>30</u>		
FLDLT	Floodlighting	20	1900	-
GOLFG	Golf courses	20	1600	-
JUKSK	Jukskei pitches	20	1600	-
NETBL	Netball courts	20	1600	-

Asset Category:	<u>A INFRASTRUCTURE</u>	-	-	-
OUTSP	Outdoor sports facilities	20	1600	-
SECLB	Security lighting community	15	3100	-
SECRB	Security systems community	5	3100	-
STADM	Stadiums	30	1600	-
SWIMP	Swimming pools	20	1900	-
TENCT	Tennis courts	20	1600	-
	<u>Paving Community</u>	<u>20</u>		
-	-	-	-	-
Sub-group:	<u>ZOO Zoo, Marine and Non biological Animals</u>	-	-	<u>UN0001</u>
-----	-	-	-	-
AQUAM	Aquariums	30	1900	-
ZOOS	Zoos	30	1900	-
-	-	-	-	-
Asset Category:	<u>C HERITAGE</u>	-	-	-
Sub-group:	<u>BLDH Buildings Heritage</u>	-	-	<u>BN0004</u>
-----	-	-	-	-
HEBLD	Heritage buildings	0	2311	-
-	-	-	-	-
Sub-group:	<u>LANDH Land Heritage</u>	-	-	<u>BN0002</u>
-----	-	-	-	-
HESIT	Heritage sites	0	2311	-
-	-	-	-	-
Asset Category:	<u>D OTHER</u>	-	-	-
Sub-group:	<u>OTHB Operational Buildings</u>	-	-	<u>ZN0001</u>
-----	-	-	-	-
Sub-group:	<u>OTHB Operational Buildings Municipal Offices</u>	-	-	<u>ZN000101</u>
-----	-	-	-	-
ACCSO	Access control buildings	5	3100	-
BUILD	Buildings	30	3120	-
FENCO	Fencing buildings	3	3100	-
	<u>Fencing Clear buildings</u>	<u>30</u>		
	<u>Boundary Wall buildings</u>	<u>60</u>		
	<u>Other Fencing buildings</u>	<u>30</u>		
MUNB	Municipal buildings	30	3110	-
OFBLD	Office Buildings	30	3110	-

Asset Category:	A INFRASTRUCTURE	-	-	-
WENDY	Other structures	10	2200	-
SECLO	Security lighting buildings	15	3100	-
SECRO	Security systems buildings	5	3100	-
TOWNP	Town planning	5	3200	-
FLDLTO	Flood lights Buildings	20	1900	
	Paving buildings	20		
-	-	-	-	-
<u>Sub-group:</u>	<u>OTHB Operational Buildings Pay/Enquiry Points</u>	-	-	<u>ZN000102</u>
-----	-	-	-	-
POSTO	Post Office	30	2200	-
-	-	-	-	-
<u>Sub-group:</u>	<u>OTHB Operational Buildings Workshops</u>	-	-	<u>ZN000104</u>
-----	-	-	-	-
WRKSH	Workshop	30	3110	-
-	-	-	-	-
<u>Sub-group:</u>	<u>OTHB Operational Buildings Laboratories</u>	-	-	<u>ZN000107</u>
-----	-	-	-	-
LABOR	Laboratories	30	3200	-
-	-	-	-	-
<u>Sub-group:</u>	<u>OTHB Operational Buildings Training Centres</u>	-	-	<u>ZN000108</u>
-----	-	-	-	-
TRNG	Training Centres	30	2200	-
-	-	-	-	-
<u>Sub-group:</u>	<u>OTHB Operational Buildings Depots</u>	-	-	<u>ZN000110</u>
-----	-	-	-	-
ANIPD	Animal pound	5	3200	-
ASPH	Asphalt plant	30	2600	-
COMPS	Compacting stations	30	3200	-
KILNS	Kilns	30	3200	-
VEHPD	Pound vehicles	5	3110	-
TRNFC	Transport facilities	30	2200	-
-	-	-	-	-
<u>Sub-group:</u>	<u>OTHB Housing Staff Housing</u>	-	-	<u>ZN000121</u>
-----	-	-	-	-
HOSTW	Hostels	30	3110	-
MUNH	Municipal houses	20	3110	-

Asset Category:	A INFRASTRUCTURE	-	-	-
Sub-group:	<u>QTHB Housing Social Housing</u>	-	-	<u>ZN000122</u>
-----	-	-	-	-
HSCHM	Housing Schemes	30	800	-
INFH	Informal housing	20	800	-
-	-	-	-	-
Sub-group:	<u>TRNS Transport</u>	-	-	<u>GN0001</u>
-----	-	-	-	-
VEHAC	Aircraft/balloons	15	3200	-
VEHAM	Ambulances	15	3800	-
BUSGO	Bus Go George	12	3900	-
BUSGM	Bus Go George Minibus	6	3900	-
VEHBS	Buses	15	3900	-
CABCR	Cable cars	15	3200	-
COMPL	Compactor—landfill	5	2500	-
VEHCT	Compactor truck—refuse	5	3500	-
VEHCD	Dumper—concrete	5	2500	-
VEHFE	Fire engines	20	3600	-
VEHGR	Graders	15	2500	-
LOADF	Loader—front-end	10	2500	-
VEHMH	Mechanical horses	10	2500	-
VEHCY	Motorecycles	5	2500	-
VEHMR	Roller—mechanically driven	10	2500	-
VEHSS	Street sweeper—mech.driven	5	2500	-
VEHTR	Tractors	15	2500	-
TIPR	Tippers	15	2500	-
VEHTK	Trucks/bakkies	10	2500	-
VEH	Vehicles	10	2500	-
LVEH	Vehicles Leased	10	2500	-
VEHBT	Watercraft/boats	15	2500	-
-	-	-	-	-
Sub-group:	<u>MAEQ Machinery and Equipment</u>	-	-	<u>QN0001</u>
-----	-	-	-	-
BRMDN	Broom—drawn	5	2600	-
BULKB	Bulk containers	10	3200	-
GANOP	Ganopy	5	3200	-
GARAV	Garavan	5	2500	-
CLNST	Cleaner—steam	5	2600	-
COMPP	Compactor—plate	5	2600	-

Asset Category:	A INFRASTRUCTURE	-	-	-
VEHCP	Compressors	10	2600	-
CONCD	Control system/tracker	5	2600	-
CONVY	Conveyors	15	2600	-
CREMS	Cremators	15	2600	-
DRLC	Drill—concrete	5	2600	-
EQUEL	Electrical equipment	5	2600	-
LIGEM	Emergency light	5	3600	-
PLANT	Equipment	10	2600	-
EQHOS	Equipment/apparatus— Clinic/H	5	2600	-
EQTRF	Equipment/apparatus— Traffic	5	2600	-
VEHFR	Farm equipment	5	2600	-
FEEDR	Feeders	15	2600	-
FRARM	Firearms	5	2600	-
FIRRE	Fire equipment	15	3600	-
HOSEF	Fire hoses	5	3600	-
GENPL	General plant	5	2600	-
GENER	Generator	5	2600	-
HSTRB	Hoist—refuse bins	10	2600	-
HHREF	Household refuse bins	5	3200	-
IRRIG	Irrigation systems	15	2600	-
EQUPL	Laboratory equipment	5	2600	-
LATHE	Lathes	15	2600	-
VEHLM	Lawnmowers	5	2600	-
LOADD	Loader—drill	10	2600	-
EQUPM	Millig equipment	15	2600	-
MIXCN	Mixer—concrete	5	2600	-
OUTBR	Outboard motor	5	2600	-
PULV	Pulverizing mills	15	2600	-
PUMPS	Pumps	10	2600	-
EQUPR	Radio equipment	8	2600	-
VEHRM	Road maintenance equipment	5	2600	-
ROLPV	Roller—pavement	5	2600	-
ROLWB	Roller—water/ballast	5	2600	-
EQUPT	Telecommunication equipment	8	2600	-
TOOLS	Tools	5	2600	-
TRAIL	Trailers	5	2600	-
WELD	Welder	5	2600	-
-	-	-	-	-

<u>Asset Category:</u>	<u>A INFRASTRUCTURE</u>	-	-	-
<u>Sub-group:</u>	<u>FURN Furniture and Office Equipment</u>	-	-	<u>RN0001</u>
-----	-	-	-	-
AIRCN	Air conditioners	10	3200	-
CABNT	Cabinets/cupboards	10	2700	-
CHAIR	Chairs	7	2700	-
MISCF	Miscellaneous furniture	7	2700	-
OFFMG	Office machines	5	2700	-
TABLE	Tables/desks	10	2700	-
-	-	-	-	-
<u>Sub-group:</u>	<u>COMP Computer Equipment</u>	-	-	<u>SN0001</u>
-----	-	-	-	-
COMHW	Computer hardware	5	2700	-
-	-	-	-	-
<u>Asset Category:</u>	<u>E INVESTMENTS</u>	-	-	-
<u>Sub-group:</u>	<u>IPROP Investment Properties</u>	-	-	<u>DN0001</u>
-----	-	-	-	-
<u>Sub-group:</u>	<u>IPROP Investment Properties Rev Gen Improved Properties</u>	-	-	<u>DN000101</u>
-----	-	-	-	-
MUNBI	Buildings investment	30	2321	-
-	-	-	-	-
<u>Sub-group:</u>	<u>IPROP Investment Properties Rev Gen Unimproved Properties</u>	-	-	<u>DN000102</u>
-----	-	-	-	-
MUNI	Municipal erven investment	0	2321	-
UNDI	Undetermined erven investment	0	2321	-
-	-	-	-	-
<u>Asset Category:</u>	<u>G INTANGIBLES</u>	-	-	-
-	-	-	-	-
<u>Sub-group:</u>	<u>INTAN Intangibles & Intellectual</u>	-	-	<u>CN0202</u>
-----	-	-	-	-
<u>Sub-group:</u>	<u>INTAN Intangibles & Intellectual Computer Software</u>	-	-	<u>CN020201</u>
-----	-	-	-	-

Asset Category:	<u>A INFRASTRUCTURE</u>	-	-	-
COMSW	Computer software	3	4034	-
VALRL	Valuation Roll	3	4034	-
-	-	-	-	-
Asset Category:	<u>L LEASES</u>	-	-	-
-	-	-	-	-
Asset Category:	<u>M LAND</u>	-	-	-
Sub-group:	<u>LAND Land</u>	-	-	<u>EN0201</u>
-----	-	-	-	-
BUS	Business	0	3120	-
BUSIN	Business industrial	0	3120	-
CEM	Cemeteries	0	3120	-
CHURC	Churches	0	3120	-
COM	Commage	0	3120	-
CRECH	Creche	0	3120	-
G/R	General residential	0	3120	-
GOV	Government	0	3120	-
IND	Industrial	0	3120	-
INSTI	Institutions	0	3120	-
OPEN	Open place	0	3120	-
OTHLA	Other land	0	3120	-
PAR	Parking	0	3120	-
POS	Private open space	0	3120	-
POP	Public open space	0	3120	-
ROAD	Roads	0	3120	-
S/R	Single residential	0	3120	-
S/H	Special housing	0	3120	-
VACLA	Vacant land	0	3120	-
Asset Category:	<u>W WORK IN PROGRESS</u>	-	-	-
Sub-group:	<u>WIP Work in Progress</u>	-	-	<u>WN0000</u>
-----	-	-	-	-
Sub-group:	<u>WIP Work in Progress Outsourced</u>	-	-	<u>WN000010</u>
-----	-	-	-	-
INFW	Infrastructure	0	1200	-
COMW	Community	0	2200	-
OTHW	Other	0	3200	-

~~9. ANNEXURE B – PROCEDURES~~

~~ASSET ACCOUNTING STANDARD OPERATING PROCEDURES~~

~~ADDITIONS: ASSETS TO BE INCLUDED IN THE FIXED ASSET REGISTER * ASSET ACCOUNTING OPERATING PROCEDURE NO. AAOP01~~

~~1. PURPOSE, APPLICABILITY & METHOD~~

~~The purpose of this FSOP document is to establish a uniform process for the preparation and review of all actions taken and documentation processed with regard to the addition of new assets on the fixed asset register of the municipality.~~

~~Determine how and when new assets should be included in the fixed asset register (FAR). By following the below steps, the asset unit establishes a repeatable process whereby the FAR is kept updated and relevant by correctly adding new assets to the register. The steps will be implemented on a continuous basis and includes the handling of assets to be included in the FAR as well as moveable / non-asset register assets.~~

~~2. OBJECTIVE OF FSOP~~

- ~~An updated, relevant, and complete Fixed Asset Register (FAR).
Having this procedure in place will ensure that the FAR is updated and that all new additions are added to the register in the correct manner. This allows the FAR to be complete, relevant, and accurate as required by legislation and internal policy.~~
- ~~Improved accuracy, completeness and replication of assigned tasks.
By following clear, standardised, repeatable steps the Asset Unit of the municipality can execute their duty of monitoring and safeguarding assets in a more efficient manner. A standardised procedure format will allow errors to be eliminated in future and past success to be replicated. All additions both of a fixed as well as moveable nature will be verified and accounted for which will improve completeness and accuracy.~~
- ~~Improved record keeping and documentation.
Having a fixed set of procedures and processes that need to be followed creates a path that can be revisited to determine why certain actions were taken and how financial entries were determined should any possible queries arise.~~

~~3. FSOP PROCESS~~

~~With regard to Fixed Assets~~

- ~~The budget office creates an expense account for each capital asset.~~
- ~~Ensure that correct and complete parameters are in place with regard to depreciation method, useful life, available funding sources, etc. on the SAMRAS DB4 system.~~
- ~~Monitor Sec 71 reporting in order to identify the completed additions to be captured.~~

- ~~Do the necessary checks on completed capital expenses to ensure that it is indeed of a capital nature.~~
- ~~Physical verification of completed projects and the sign-off of Asset Capitalisation forms by responsible persons in the relevant departments.~~
- ~~Determine the funding source.~~
- ~~Ensure the proposed addition is identified correctly in terms of category and asset type. The following categories/types of assets have their own operating procedure.~~
 - ~~• Investment Property~~
 - ~~• Finance leases~~
- ~~Manually handle capitalisation on the SAMRAS system.~~
- ~~Manually do the commissioning of new assets on the system.~~
- ~~Unbundle / componentise all infrastructure assets captured in the fixed asset register (see Unbundling procedure).~~

~~With regard to moveable assets~~

- ~~Assets must be physically marked with a unique barcoded number.~~
- ~~Additions to be captured under an identifiable description and assigned to a specific location on the asset tracking system (BAUD).~~
- ~~Moveable assets list to be generated on Excel and supplied to a responsible occupant showing the newly acquired assets as well as all other moveable assets under control of the responsible official.~~
- ~~Attach statement of responsibility (SOR) to newly updated moveable asset list and keep a signed copy as evidence.~~

~~4. DOCUMENTING THE PROCESS~~

~~For the sake of documenting the process as well as having adequate evidence on hand to substantiate the actions taken there are various documents and forms which are filed and stored for safe keeping.~~

- ~~• Asset Capitalisation forms to be completed by department representatives at the completion of a capital project.~~
- ~~• Excel Additions & Funding Summary Sheet (ESQ) for the financial year in question.~~
- ~~• Supporting documents as evidence of commissioning.~~
- ~~• Moveable asset lists per location where additions were recorded as well as signed SOR forms.~~
- ~~• Other substantiating documentation as may be required.~~

~~5. APPLICABLE LEGISLATION~~

- ~~• Section 4(1) – (Procurement of Assets) of George Municipality Asset Management Policy~~
- ~~• Section 5(7) – (Format of Fixed Asset Register) of the Asset Management Policy~~
- ~~• Section 63, Municipal Finance Management Act (MFMA)~~

6. TIME FRAME

As and when capital projects are completed and, in a condition, to be used in the process to deliver services the process must commence to correctly include the assets in the FAR. Line items for additions are created on the SAMRAS system once the budget has been approved but it is only when the asset is commissioned that the depreciation will commence and the asset is seen as active.

It is necessary to constantly monitor spending and the status of completion of projects throughout the year. An asset can however only be commissioned after capitalisation has been done and thus the capital funding source must first be confirmed and available. For the most part commissioning will occur in the fourth term of the financial year or directly following the end of the financial year for projects completed at year end.

Additions in terms of non-asset register items can occur at any time during the year and a good system of communication is needed to ensure that the Asset Unit is informed of all acquisitions and afforded the opportunity to physically tag and electronically capture the asset correctly. This process is thus ongoing.

7. RESPONSIBILITIES

The responsibility for this function, of ensuring additions are correctly and timeously added to the fixed asset register, lies with the Asset Unit, yet other role players are also involved.

The responsibility of deciding on which projects are budgeted for and are eventually completed to address infrastructure, community or internal needs lies with the consultation and negotiation between the budget office, the various directors and council. The Asset Unit only gets involved once projects commence and will then monitor the progress as these projects near completion and could qualify as additions to be added to the FAR. In this regard the Asset Unit relies on the feedback and information received from department representatives to determine when an asset can be commissioned. The Budget Office will assist with identifying the funding to be used.

With regard to moveable assets all responsible officials accept responsibility when they sign acknowledge the moveable assets under their control and sign the Statement of Responsibility (SOR) form. It is also the duty of each department to inform the Asset Unit of any moveable items purchased.

Asset Management Functions and Responsibilities:

- Majority of "Additions" tasks and actions undertaken by Controllers: Assets
- Senior Controller supervises the process
- Senior Controller approves commissioning of assets

~~UNBUNDLING: ASSETS COMPONENTISED IN THE FIXED ASSET REGISTER~~

~~▪ ASSET ACCOUNTING OPERATING PROCEDURE NO. AAOP02~~

~~1. PURPOSE, APPLICABILITY & METHOD~~

~~The purpose of this FSOP document is to establish a uniform process for the preparation and review of all actions taken and documentation processed with regard to the unbundling of capital assets into smaller, identifiable components.~~

~~By following the below steps, the asset unit establishes a repeatable process whereby the FAR is kept updated and relevant by correctly breaking down big capital programmes into new manageable assets. The identifying of these different components allows for the replacement of these assets as and when they become redundant; different economic life spans can be assigned to the different types of components thus allowing for different levels of depreciation; and a big capital project can be more accurately identified according to different types of assets which make up the project.~~

~~2. OBJECTIVE OF FSOP~~

- ~~• An updated, relevant, and complete Fixed Asset Register (FAR)
Having this procedure in place will ensure that the FAR is updated and that all the assets included in the asset register are all individual assets in their own right which have their own life expectancy, asset type, level of depreciation, location and can be individually replaced.~~
- ~~• Improved accuracy, completeness and replication of assigned functions and tasks
By following clear, standardised, repeatable steps the Asset Unit of the municipality can ensure that past successes regarding the unbundling of assets can be replicated and previous errors or concerns can be more easily addressed in the future. This standardised procedure will allow all role players to understand how their roles and responsibilities slot into the unbundling process as executed by the Asset Unit.~~
- ~~• Improved record keeping and documentation~~
- ~~• Having a fixed set of procedures and processes that need to be followed creates a path that can be revisited to determine why certain actions were taken and how financial entries were determined should any possible queries arise.~~

~~3. FSOP PROCESS~~

- ~~• Communicate the intended process as well as their roles in the process to all relevant officials.~~
- ~~• With feedback from all directorates and the budget office, determine possible projects to be unbundled in further detail.~~

- ~~Consult with technical departments to get all relevant information for unbundling.~~
- ~~Evaluate the data received to determine how to unbundle the projects into different components.~~
- ~~Use the unbundling tool developed for George Municipality to break the project down into various different assets which must be included on the asset register.~~
- ~~The classification of each separate component will determine the useful life thereof as well as the depreciation which will run against it.~~
- ~~Populate the new unbundled assets into the FAR by splitting the original asset on the financial system. This will provide each new unbundled asset with its own unique asset number.~~

4. DOCUMENTING THE PROCESS

~~For the sake of documenting the process as well as having adequate evidence on hand to substantiate the actions taken there are various documents and forms which are filed and stored for safe keeping.~~

- ~~Memo sent to directorates regarding the initiation of the unbundling process also stipulating their role in the process.~~
- ~~Hard copies of feedback received from department representatives.~~
- ~~Create a check list from the ESQ summary document showing which additions require unbundling and which not. Of those to be unbundled, update the checklist throughout the unbundling process to indicate for which assets unbundling information is still outstanding.~~
- ~~Other substantiating documentation as may be required.~~

5. APPLICABLE LEGISLATION

- ~~GRAP 17, PPE~~
- ~~Circulars published by National Treasury~~
- ~~MFMA Asset Management Guideline~~

6. TIME FRAME

~~As soon as capital projects have been completed the unbundling process can commence. Even at the budgeting stage and when creating the different capital votes/projects the need for unbundling should be taken into account to simplify the eventual unbundling of the assets.~~

~~On the financial system the physical unbundling is done on capitalised assets and as such the final unbundling on SAMRAS can only be done once the funding source for the project has been identified and the global asset has been capitalised. Then the unbundling into assets as will be displayed on the Fixed Asset Register can be done.~~

~~The time frame of the unbundling process is also very much dependent on the information received from the various directorates. If departments budgeted with unbundling in mind and their record keeping and monitoring concerning the execution of a project was sound, then the process can be completed in a shorter time period.~~

~~7. RESPONSIBILITIES~~

~~Unbundling becomes a very technical process with regard to many projects and assets and as such the Asset Unit is reliant on the feedback they received from the various directorates. Clear information of a high quality will lead to the unbundling process being completed timeously, correctly and in good detail whilst a lack of adequate, complete information from the other departments will lead to the unbundling process failing to achieve its desired result.~~

- ~~• Technical departments responsible for supply accurate information~~
- ~~• Controllers to consult with senior department officials and determine how unbundling will be done~~
- ~~• Controllers assisted by Senior Clerks, draft unbundling sheets and the Controller makes the necessary changes to the financial system.~~
- ~~• The Senior Controller is responsible for overseeing the unbundling process.~~

~~IDENTIFICATION AND HANDLING OF LEASE AGREEMENTS~~

~~▪ ASSET ACCOUNTING OPERATING PROCEDURE NO. AAOP03~~

~~1. PURPOSE, APPLICABILITY & METHOD~~

~~The purpose of this FSOP document is to establish a uniform process for the preparation and review of all actions taken and documentation processed with regard to the identification, classification and handling of leases in the asset management process.~~

~~Checks and balances are put into place to ensure that expenses can be correctly identified, and leases correctly classified and handled in the correct manner. If the steps laid out in this SOP are followed it will ensure that no finance leases are missed (or operating leases wrongly identified as capital of nature) and that these are correctly included in the fixed asset register.~~

~~2. OBJECTIVE OF FSOP~~

- ~~• An updated, relevant and complete Fixed Asset Register (FAR)~~
- ~~• Improved record keeping and documentation~~
- ~~• Supplying the Financial Statements with correct, accurate information~~

~~3. FSOP PROCESS~~

- ~~• Identify all lease agreements.~~
- ~~• Obtain all lease contracts to do necessary classifications between operating and finance leases.~~
- ~~• Finance leases are determined by the following steps:~~
 - ~~• The lease transfers ownership of the asset to the lessee by the end of the lease term.~~
 - ~~• The lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than the fair value (bargain prize) at the date the option becomes exercisable such that, at the inception of the lease, it is reasonable certain that the option will be exercisable.~~
 - ~~• The leased assets are of such specialized nature that only the lessee can use them without major modifications.~~
 - ~~• The leased assets cannot easily be replaced by another asset.~~
 - ~~• The lease term is for the mayor part (75%) of the economic life of the asset even if title is not transferred.~~
 - ~~• At the inception of the lease the present value of the minimum lease payments (PV) amounts to at least substantially (90%) all of the fair value of the leased asset.~~
- ~~• If all classification criteria are met in terms of a finance lease it must be included in the FAR as a fixed asset.~~
- ~~• If classified as an operating lease it is handled as an operating expense.~~
- ~~• Draft and update an operating lease register.~~

- ~~Where escalation occurs a straight lining, calculation must be done to determine future cost.~~

4. DOCUMENTING THE PROCESS

~~For the sake of documenting the process as well as having adequate evidence on hand to substantiate the actions taken there are various documents and forms which are filed and stored for safe keeping.~~

- ~~The Legal adviser and a senior supply chain official do the necessary steps to compile the physical lease contracts.~~
- ~~The senior asset controller does the identification process to determine whether the lease is an operating or finance lease.~~
- ~~The lease register is continuously updated by the asset controller throughout the financial year on all new and expired leases.~~
- ~~All assets subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the assets is depreciated at appropriate rates on the straight-line basis over the estimated useful lives of the assets. An amortisation table must be created by doing the following: Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method (amortisation table).~~
- ~~All operating lease rentals are expensed as they become due and are included in the lease register.~~

5. APPLICABLE LEGISLATION

- ~~GRAP 13 – Leases.~~
- ~~Section 7(1)(b) of the Asset Management Policy of George Municipality.~~

6. TIME FRAME

~~The commencement of the lease term is the date from which the lessee is entitled to exercise its right to use the leased asset.~~

~~The inception of the lease is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease. As at this date a lease is classified as either an operating or finance lease, and in the case of a finance lease, the amounts to be recognised at the commencement of the lease terms are determined.~~

~~All operating and finance leases should be identified and its details (such as name of supplier, contract period, asset leased, contract amount, escalation in prices and period of payment) register list.~~

~~This register list should be updated with all new lease agreements entered into as well as all agreements that expired. The updated list should be forwarded to the Head of Finance for control and budget purposes.~~

~~7. RESPONSIBILITIES~~

~~The Head of Corporate/Legal Services should issue an instruction that all contractual agreements to which the municipality is a party, must be scrutinised.~~

~~It's the responsibility of the asset controller to identify and monitor all leases.~~

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~~IDENTIFICATION AND HANDLING OF INVESTMENT PROPERTY~~

~~▪ ASSET ACCOUNTING OPERATING PROCEDURE NO. AA0P04~~

~~1. PURPOSE, APPLICABILITY & METHOD~~

~~The purpose of this FSOP document is to establish a uniform process for the preparation and review of all actions taken and documentation processed with regard to the identification, classification and handling of investment property in the asset management process.~~

~~Checks and balances are put into place to ensure that all possible investment property (IP) on hand and available to the municipality is correctly identified and handled appropriately by being classified as such in the fixed asset register and included in the manually maintained IP register.~~

~~2. OBJECTIVE OF FSOP~~

- ~~An updated, relevant, and complete Fixed Asset Register (FAR) due to investment property being correctly identified as such as categorised as such on the FAR.~~
- ~~Improved record keeping and documentation as a result of the reporting and documenting steps set out in the SOP.~~
- ~~Supplying the Financial Statements Section with correct, accurate information for use in the AFS as there is a note on Investment Property requiring the breakdown on IP of the municipality.~~
- ~~Transparency, completeness, and the ability to replicate the actions taken from one year to the next is significantly improved by having a standardised operating procedure in place.~~

~~3. FSOP PROCESS~~

- ~~• Gain feedback from the housing department regarding vacant land currently held with no immediate purpose.~~
- ~~• Consult with the housing department with regard to the current investment property register to determine whether they concur with the property listed.~~
- ~~• Retrieve the information regarding income received from the lease of land or buildings from the income department.~~
- ~~• From the income information received check that all relevant IP (investment property) has been identified.~~
- ~~• Take into account the sale of erven to determine whether changes must be made to IP.~~

- ~~Update the current Investment Property register.~~
- ~~Make the necessary manual adjustments to the asset register on the SAMRAS financial system.~~
- ~~Determine all income and expenditure with regard to investment property.~~
- ~~Supply Financial Statements section with relevant IP information.~~

4. DOCUMENTING THE PROCESS

~~For the sake of documenting the process as well as having adequate evidence on hand to substantiate the actions taken there are various documents and forms which are filed and stored for safe keeping.~~

- ~~Keeping an Investment Property register updated on Excel.~~
- ~~Copies of feedback from Housing and the Income sections regarding land and buildings from which an income is or can be generated.~~
- ~~Any other possible documentation/information that may become available — ex. Vacant Land Study done by Planning department.~~
- ~~A separate working file is kept for IP with all information gathered, actions taken, and figures used.~~
- ~~Supporting documentation for all income from and expenditure on IP.~~

5. APPLICABLE LEGISLATION

- ~~Generally Recognised Accounting Practice (GRAP 16), Investment Property.~~
- ~~Section 6(3)(a) of the George Municipality Asset Management Policy.~~

6. TIME FRAME

~~The Investment Property register is kept updated on an ongoing basis. At the end of the financial year the investment property register will be consolidated with the Fixed Asset Register regarding properties and the necessary changes will be made on the FAR on SAMRAS to affect these changes which may have occurred during the year.~~

7. RESPONSIBILITIES

~~The responsibility for supplying the financial statements division with the necessary information for publishing in the AFS as well as updating the FAR to correctly display which properties are classified as Investment Property lies with the Asset Unit.~~

- ~~Senior Clerks gather IP related data from various sources.~~
- ~~Controllers make the necessary changes to the Excel based IP register.~~
- ~~Senior Controller ensures that the manual changes are made to the asset register on SAMRAS.~~
- ~~The Controller responsible for Investment Property keeps the IP file for the relevant financial year updated and complete.~~

~~HANDLING OF THE ASSET VERIFICATION PROCESS~~

~~▪ ASSET ACCOUNTING OPERATING PROCEDURE NO. AA0P05~~

~~1. PURPOSE, APPLICABILITY & METHOD~~

~~The purpose of this FSOP document is to establish a uniform process for the preparation and review of all actions taken and documentation processed with regard to the verification process surrounding both fixed and non-fixed asset register assets by the Asset Unit.~~

~~The verification of fixed assets is important to ensure that the value of assets presented in the annual financial statements is not over or under stated. With regard to moveable / non-fixed asset register items it is important to regularly monitor the existence and location of these assets to ensure that they continue to be utilised in a manner as to assist officials in performing the tasks and functions associated with service delivery.~~

~~2. OBJECTIVE OF FSOP~~

- ~~An updated, relevant, and complete Fixed Asset Register (FAR)
— It must be verified that all assets contained in the FAR must exist and be in a useful, operational condition for the position (value) of assets to be reflected correctly. Assets found during the verification process to no longer be in use must be disposed of and removed or carried at a zero value on the register.~~
- ~~Improved record keeping and documentation
— The verification process is documented to show compliance in terms of legislation. Evidence is kept substantiating the resulting action taken with cognisance of the feedback received during the verification.~~
- ~~Transparency, completeness, and standardisation
— A uniform set of procedures and steps is put in place to ensure that continuity is kept from year to year and to ensure that all checks and balances have been done in verifying the assets as stated in the FAR.~~

~~3. FSOP PROCESS~~

~~Fixed Assets Verification:~~

- ~~Once projects have been signed off as additions, perform a physical verification of the new asset.~~
- ~~Do physical spot checks as well as in-year scrutinizing of the asset register to keep the FAR updated and correct.~~
- ~~Supply directorates with their relevant sections of the FAR and inform all responsible officials of their duty toward verifying all assets under their control, also supplying further information regarding:~~

- ~~Impairment losses~~
 - ~~Donated assets~~
 - ~~Reassess remaining useful life~~
- ~~Set up meetings with department representatives to follow-up on the annual verification of the FAR.~~
 - ~~Document and file the feedback received from directorates regarding the accuracy of the FAR as well as proposed adjustments. Responsible officials must sign off on a Statement of Existence (SOE) to confirm the completeness of their FAR.~~
 - ~~Draft funding journals with supporting documentation for approval by Manager: Assets.~~
 - ~~Physically make changes to the FAR on SAMRAS.~~
 - ~~Print SAMRAS system audit report to ensure correctness of changes made to the FAR and general ledger votes.~~

~~Verification of moveable assets:~~

- ~~Human Resources to inform the Asset Unit of the new employment or departure of employees.~~
- ~~The responsible occupant of each location must inform the Asset Unit of all movement or acquisition of assets under their control.~~
- ~~Verify the information communicated above and make the required changes on the BAUD system.~~
- ~~Print, handout and keep signed copies of updated moveable assets lists.~~
- ~~Spot checks to be done on a regular, ad-hoc basis throughout the year.~~

~~4. DOCUMENTING THE PROCESS~~

~~For the sake of documenting the process as well as having adequate evidence on hand to substantiate the actions taken there are various documents and forms which are filed and stored for safe keeping.~~

- ~~Evidence of meetings held with directorate representatives.~~
- ~~Any feedback received from directorates regarding verification — electronic or hard copies.~~
- ~~Signed Statement of Existence (SOE) form for each directorate signed by Director to verify that all stated assets on the FAR are present and in a working condition.~~
- ~~Responsible occupants sign off on confirmed moveable asset lists and these can be used as reference for spot checks at any time.~~
- ~~A Statement of Responsibility (SOR) is signed by each responsible occupant stating that they accept and understand their responsibility over all assets under their control.~~

5. APPLICABLE LEGISLATION

- ~~Section 5(3), George Municipality Asset Management Policy.~~

6. TIME FRAME

~~In terms of fixed assets as stated in the asset register, an annual verification process is undertaken in co-operation with senior representatives of all departments. This annual process will take place toward the end of the financial year and is only complete when all department representatives have confirmed the correctness of their section's asset register.~~

~~Verification will also be done as and when a new capital programme has been completed. The Asset Unit must satisfy themselves that the new asset to be added to the asset register has been physically verified.~~

~~With regard to non-asset register items, these assets will be checked on an ad-hoc basis. To ensure all moveable assets are accounted for, still in the locations as stipulated by the asset tracking system (BAUD) and in a condition to be of benefit to the organisation in-year spot checks must be done regularly.~~

7. RESPONSIBILITIES

~~Due to the substantial size of the Fixed Asset Register it is impractical and largely impossible for the Asset Unit to physically verify the condition and existence of all assets. The Unit can take a random representative sample for verification or alternatively have a specific area of focus for a particular year and ensure that the area of focus moves in cycles to cover the majority of assets over a period of years.~~

~~Ultimately the Asset Unit relies on each directorate within the municipality to verify, check and confirm that all assets under their control still exist and are in sound working condition. The FAR is sent to the various departments electronically and feedback is requested. Workshops are also held with department representatives where needed to verify listed assets.~~

~~Functions and responsibilities within the Asset Unit:~~

- ~~Senior Controller sends out a memo to all departments, initialising the verification process.~~
- ~~Controllers have one-on-one verification sessions with department representatives to verify their section of the asset register.~~
- ~~Confirmation documents to be acquired and safeguarded by Controllers.~~
- ~~The Senior Controller is ultimately responsible for ensuring the changes indicated during the verification process are made to the fixed asset register.~~

~~DISPOSAL OR WRITE-OFF OF MUNICIPAL ASSETS~~

~~ASSET ACCOUNTING OPERATING PROCEDURE NO. AA0P06~~

~~1. PURPOSE, APPLICABILITY & METHOD~~

~~The purpose of this FSOP document is to establish a uniform process for the preparation and review of all actions taken and documentation processed with regard to the alienation of municipal assets.~~

~~Alienation of municipal assets can occur in a number of ways: Lost, stolen or damaged goods might be disposed or replaced through the insurance process. Redundant assets for which there is no longer a use, or for which the cost of utilising the asset exceeds the value of its continued use, can be alienated by way of auction or public tender. For this to happen there is a series of events that must happen, actions that must be taken, documentation to be acquired and permissions that must be obtained.~~

~~2. OBJECTIVE OF FSOP~~

- ~~• An updated, relevant, and complete Fixed Asset Register (FAR)~~
 - ~~— All disposed fixed assets must either be removed from the FAR or displayed at a zero value. By not correctly disposing of assets it could lead to the wrong value being shown for municipal assets.~~
- ~~• Improved administration of documents and records~~
 - ~~— The correct process must be followed in terms of gaining supporting documentation and following the right channels in order for assets to be correctly disposed of in accordance with legislation.~~
- ~~• Ensuring transparency and accountability~~
 - ~~— Very specific legislation and internal guidelines are set with regard to the alienation of municipal assets. This SOP clearly sets out what steps and actions were taken, by whom and whether the right authority was obtained and required procedures followed in disposing of assets.~~

~~3. FSOP PROCESS~~

~~A. Disposal due to Insurance Claims~~

- ~~• Analyse monthly insurance reports to determine the need for disposals.~~
- ~~• Draft funding journals with supporting documentation for approval by Manager: Assets.~~
- ~~• Physically make changes to the FAR on SAMRAS.~~
- ~~• Print SAMRAS system audit report to ensure correctness of changes made to the FAR and general ledger votes.~~

~~B. Disposal by way of Auction~~

- ~~• Analyse feedback received from departments during verification process.~~

- ~~Determine which assets should be disposed and draft a report with supporting documentation for sign-off by CFO and Municipal Manager.~~
- ~~Submit signed report of assets to be disposed to council for approval.~~
- ~~The CFO must recommend the disposal and submit the motivation to the MM after consultation with the Directorial IT Committee, for all electronic equipment, and the assets officer for other assets.~~
- ~~Ensure all IT equipment is supplied to the IT department for removal of software before disposal can take place.~~
- ~~For assets with an initial cost of over R2000, the MM must authorise all disposal of fixed assets.~~
- ~~Once approved the auction process will commence:~~
 - ~~Set auction date~~
 - ~~Advertise auction at least 14 days prior to auction date~~
 - ~~Obtain quotations for auctioneer or consider the alternative of handling it in-house~~
 - ~~Appoint auctioneer~~
 - ~~Arrange for registration office and cashier~~
 - ~~Draw up lists of all assets to be sold and allocate lot numbers~~
 - ~~Ensure assets are correctly tagged according to lot number and clearly identifiable at the auction site.~~
 - ~~Supply auctioneer with auction list and conditions of the auction to be read out before the commencement of the auction.~~
 - ~~Oversee that the auction is executed in accordance with the set auction conditions.~~
 - ~~Ensure that proceeds from the auction are correctly allocated.~~
- ~~Draft funding journals with supporting documentation for approval by Manager: Assets.~~
- ~~Physically make changes to the FAR on SAMRAS.~~
- ~~Print SAMRAS system audit report to ensure correctness of changes made to the FAR and general ledger votes.~~
- ~~Submit to council a report on the outcome of the auction held for their perusal.~~

~~C. Disposal by way of Tender~~

- ~~Each department must get approval by council to dispose of specific assets.~~
- ~~Departments must follow the correct Supply Chain procedures as stipulated by the Supply Chain Policy for George Municipality to award the tender.~~
- ~~Ensure all IT equipment is supplied to the IT department for removal of software before disposal can take place.~~
- ~~Final documentation to be supplied to the Asset Unit regarding information such as the selling price, date of sale, etc.~~
- ~~Draft funding journals with supporting documentation for approval by Manager: Assets.~~
- ~~Physically make changes to the FAR on SAMRAS.~~
- ~~Print SAMRAS system audit report to ensure correctness of changes made to the FAR and general ledger votes.~~

4. DOCUMENTING THE PROCESS

~~For the sake of documenting the process as well as having adequate evidence on hand to substantiate the actions taken there are various documents and forms which are filed and stored for safe keeping.~~

- ~~• Uniquely number disposal forms for each financial year. Contains list of assets to be disposed and the reason for the disposal (or proposed disposal). Supporting documents must be attached and sign off by director or department head.~~
- ~~• A supporting file is kept for the entire auction process — memos to departments along with their feedback, copy of advertisement, auction list with prices, etc.~~
- ~~• Copies are kept of journals drafted regarding the adjustments to the Fixed Asset Register due to disposals.~~
- ~~• Approved or declined council resolution as well as all internal reports regarding disposals.~~

5. APPLICABLE LEGISLATION

- ~~• Paragraph 14 (Disposal of capital assets), Municipal Finance Management Act (MFMA)~~
- ~~• Section 4(3), George Municipality Asset Management Policy~~
- ~~• Municipal Asset Transfer Regulations of 2008, drafted by National Treasury~~

6. TIME FRAME

~~At least on an annual basis an auction of all redundant or worn-out assets will be considered. Based on the feedback received from all departments a decision will be made regarding the need for an auction. Disposals will also occur as and when insurance reports reach the asset unit and at the end of the financial year a standard check is done to ensure all insurance incidents have been handled.~~

7. RESPONSIBILITIES

~~It is the responsibility of the Asset Unit to orchestrate the disposal process. Given the feedback received from all departments the Asset Manager will ensure that the correct procedures are followed in disposing of assets.~~

DETERMINATION OF HERITAGE ASSETS

~~▪ ASSET ACCOUNTING OPERATING PROCEDURE NO. AA0P07~~

~~1. PURPOSE, APPLICABILITY & METHOD~~

~~According to the Generally Recognised Accounting Practice (GRAP) 103 – Heritage Assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations. GRAP 103 came into effect from 1 July 2012.~~

~~The Heritage Asset entry is a prerequisite in the Annual Financial Statements and as such it is necessary to create a relevant, up to date Heritage Asset Register which determines and measures the assets under ownership of George Municipality which can be classified as Heritage Assets according to the GRAP standard. In order for this register to be complete and correct the necessary procedures must be in place and actions and steps must be taken.~~

~~In order to identify all qualifying assets and determine the heritage assets entry in the financial statements it is necessary to correctly adjudicate the assets which qualify.~~

~~Characteristics often displayed by GRAP 103 Heritage Assets:~~

- ~~(a) Their value in cultural, environmental, educational, and historical terms is unlikely to be fully reflected in monetary terms.~~
- ~~(b) Ethical, legal and/or statutory obligations may impose prohibitions or severe stipulations on disposal by sale.~~
- ~~(c) They are often irreplaceable.~~
- ~~(d) Their value may increase over time even if their physical condition deteriorates.~~
- ~~(e) They have an indefinite life, and their value appreciates over time due to their cultural, environmental, educational, natural scientific, technological, artistic or historical significance.~~
- ~~(f) They are protected, kept unencumbered, cared for and preserved.~~

~~See the Heritage Assets: Findings document for complete background and information regarding Heritage Assets, the theory behind GRAP 103 such as types, defining aspects, measurement, and recognition criteria.~~

~~2. OBJECTIVE OF FSOP~~

- ~~● Complete and Correct Fixed Asset Register (FAR)~~
- ~~— Correctly identifying Heritage Assets is necessary to ensure that the fixed asset register (FAR) of the municipality is complete and up to date as these assets have to be identified in the FAR.~~

- ~~Supplying Financial Statements Information and Entry~~
- ~~Once the processes have been followed it will deliver a complete Heritage Asset Register. The findings from this Heritage Asset Process will be used in the financial statements.~~
- ~~Improved record keeping, documentation and general administration~~
- ~~Having the Heritage Asset Procedure process in place will ensure that the process is done in a clear, transparent and thorough manner. It will also make it possible to replace this process over time. The quality, source and completeness of information and work method can clearly be seen and evaluated.~~
- ~~This FSOP will ensure record keeping and documentation is in place and this will allow improved communication and explanation should it be required for audit purposes as well as for other internal requirements.~~

3. FSOP PROCESS

- ~~Workshop session held with National Treasury discussing the implications and implementation.~~
- ~~Analyse existing assets on the Fixed Asset Register (FAR) classified as “heritage” and check whether they comply with GRAP 103 criteria.~~
- ~~Use the Heritage Register compiled by the Department: Town Planning as the starting point for compiling a GRAP 103 Heritage Asset Register.~~
 - ~~These “heritage registers” will differ due to the Town Planning Department using the National Heritage Resources Act, 1999 (Act 25 of 1999) as the classifying criteria for inclusion in the register whilst the Asset Unit uses the GRAP 103 criteria.~~
 - ~~The Town Planning Department’s Heritage Register will include all heritage buildings and not only those that are under the ownership of George Municipality.~~
 - ~~The focus with the Town Planning Register falls on buildings whilst GRAP 103 encompasses a much broader spectrum of qualifying items.~~
- ~~Consult with internal and external sources, with specific reference to non-buildings, to determine possible items of interest which could be classified as Heritage Assets.~~
 - ~~A physical “drive thru” of the municipal area and assets was done to try and identify areas/items/assets of possible significance.~~
 - ~~Approach the Parks and Gardens department for information and feedback as they are in charge of and carry knowledge regarding cemeteries and Parks and Gardens which would include site of historic significance.~~
 - ~~Gain feedback from the tourism department regarding sites of interest.~~

- ~~— Approach the local museum for relevant information.~~
- ~~— Consult the register of Museums and monuments (included in the Heritage Register of Town Planning).~~
- ~~• Compile a Heritage Asset Register indicating qualifying assets as well as reasoning for certain non-qualifying assets.~~

~~4. DOCUMENTING THE PROCESS~~

~~For the sake of documenting the process as well as having adequate evidence on hand to substantiate the actions taken there is a substantial amount of documentation that accompanies the process.~~

- ~~• A Heritage Assets file is opened~~
- ~~• All feedback received from departments and outside sources are placed on file~~
- ~~• A checklist is drafted with assets considered to have strong potential for qualification and substantiation is then done against all these possible assets to show positive or negative qualification result~~
- ~~• As much information as possible regarding the “candidate” assets are gathered and documented (including photographic) to support any conclusion or determination made~~
- ~~• The Heritage Asset Register is compiled and/or updated taking into account all relevant information submitted onto the Heritage File~~
- ~~• From the Heritage Asset Register (HAR) the Heritage Assets: Findings document is drafted~~
- ~~• Both the HAR and the Findings is submitted the financial statements section~~

~~5. APPLICABLE LEGISLATION~~

- ~~• GRAP 103, Heritage Assets.~~
- ~~• George Municipality Asset Management Policy, Section 6(3)(c).~~

~~6. TIME FRAME~~

~~Initially there was embarked on an extensive process of working through all assets under the ownership of George Municipality and making a determination on the merit for inclusion into the Heritage Asset classification according to the newly implemented GRAP 103 standard.~~

~~Since this was done to get the initial Heritage Asset Register the process will be less time consuming in the future as one will rely on the various departments to inform the Asset Unit of any new assets (donated or otherwise) which could be seen as Heritage Assets. Whilst those assets currently identified as Heritage will be re-evaluated to ascertain whether the Heritage classification still holds true.~~

~~In future this will this only be a process which will be run in the last few months of the financial year.~~

7. RESPONSIBILITIES

~~The responsibility for this function, of ensuring the HAR is up to date and complete and supplying financial statements with the entry to be used for Heritage Assets in the financials lies solely with the Asset Unit.~~

~~The Unit does however rely on the input and feedback from other departments as well as other spheres of government to inform them of any possible Heritage Assets which might have become the property of George Municipality during the financial year.~~

~~Correspondence with Departments such as Environmental Affairs and the Land Affairs are of particular importance as Heritage issues will often involve these sections.~~

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