
MALUTI-A-PHOFUNG LOCAL MUNICIPALITY



ASSET MANAGEMENT POLICY -FINAL 2016/17



TABLE OF CONTENTS

DESCRIPTION	PAGE
1. INTRODUCTION AND OBJECTIVES	2
2. BACKGROUND	2-3
3. DEFINITIONS	4-7
4. FINANCIAL MANAGEMENT	7-8
5. FINANCIAL ASSET REGISTER	9-11
6. MANAGEMENT OF ATTRACTIVE ITEMS	12
7. MANAGEMENT AND OPERATION OF PROPERTY, PLANT AND EQUIPMENT	13
8. CLASSIFICATION, AGGREGATION AND COMPONENTS	14-15
9. ACCOUNTING FOR PROPERTY, PLANT AND EQUIPMENT	15-19
10. FINANCIAL DISCLOSURE	20-22



1. Introduction and objective

- To ensure the effective and efficient control, utilization, safeguarding and management of a municipality's property, plant and equipment.
- To ensure asset managers are aware of their responsibilities in regards of property, plant and equipment
- To set out the standards of physical management, recording and internal control to ensure property, plant and equipment are safeguarded against inappropriate loss or utilization.
- To specify the process required before expenditure on property, plant and equipment occurs.

2. Background

- The utilization and management of property, plant and equipment is the prime mechanism by which a municipality can fulfill its constitutional mandates for:
 - Delivery of sustainable services,
 - Social and economic development,
 - Promoting safe and health environments and,
 - Providing the basic needs to the community.
- As trustees on behalf of the local community, the municipality has a legislative and moral obligation to ensure it implements policies to safeguard the monetary value and future service provision invested in property, plant and equipment.



- The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of property, plant and equipment.
- Stewardship has two components being the:
 - Financial administration by the chief financial officer, and
 - Physical administration by the asset managers.
- Statutory provisions are being implemented to protect public property against arbitrary and inappropriate management or disposal by a local government.
- Accounting standards have being promulgated by the Accounting Standard Board to ensure the appropriate financial treatment for property, plant and equipment. The requirements of these new accounting standards include:
 - The compilation of asset registers covering all property, plant and equipment controlled by the municipality.
 - Accounting treatment for the acquisition, disposal, recording and depreciation of property, plant and equipment
 - The standards to which these financial records must be maintained.



3. Definitions

“Accounting Standards Board” was established by the Public Finance Management Act to set standards of Generally Recognized Accounting Practice (GRAP) as required by the Constitution of the Republic of South Africa.

“Assets” are resources controlled by an entity as the result of past events and from which future economic benefits or future service potential are expected to flow to the entity.

“Asset Manager” is the “senior manager” who has the functional accountability for and control of the physical management of a particular set of assets in order to achieve the municipalities strategic objectives relevant to their directorate. The execution of this responsibility will require the asset manager to control the acquisition, utilization, management and disposal of this set of assets to optimize the achievement of these objectives.

“Asset categories” are the five main asset categories defined by GAMAP 17 / GRAP 17.

These are:

- **Infrastructure assets** are defined as any asset that is part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage purification and trunk mains, transport terminals and car parks.
- **Community assets** are defined as any asset that contributes to the community wellbeing. Example are parks, libraries and fire stations.
- **Heritage assets** are defined as culturally significant resources. Examples are works of art, historical buildings and statues.
- **Investment properties** are defined as properties that are acquired for economic and capital gains. Examples are office parks and underdeveloped land acquired for the purpose of resale in future years.
- **Other assets** are defined as assets utilized in normal operations. Examples are plant and equipment, motor vehicle and furniture and fittings.

“Attractive items” are items or property, plant or equipment that are not significant enough for financial recognition but are attractive enough to warrant special safeguarding.

“Capitalization” is the recognition of expenditure as an Asset in the Financial Asset Register.



“Carrying amount” is the amount at which an asset is included in the balance sheet after deducting any accumulated depreciation thereon.

“Cost” is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.

“Cost of acquisition” is all the costs incurred in bring an item of plant, property or equipment to the required condition and location for its intended use.

“Depreciation” is the systematic allocation of the depreciable amount of an asset over its useful life.

“Depreciable amount” is the cost of an asset, or other amount of an asset, or other amount substituted for cost in the financial statements, less its residual value.

“Fair value” is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm’s length transaction.

“Financial asset register” is the controlled register recording the financial and other key details for all municipal asset recognized in accordance with this policy.

“GAMAP” stands for “generally accepted municipal accounting practice”

“Network assets” is an asset as defined in this policy.

“Property, plant and equipment” are tangible assets that:

- (a) Are held by a municipality for use in the production of goods or supply of goods or services, for rental to others, for administrative purpose, and
- (b) Are expected to be used during more than one period.

“Recoverable amount” is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal.

“Recognition” is the process by which expenditure is included in the Financial Asset Register as an asset.

“Residual value” is the net amount that the municipality expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.



“Senior manager” is a manager referred to in section 56 of the municipal systems act being someone reporting directly to the municipal manager.

“Senior management team” are the incumbent of post level 1, 2 and 3 in each directorate being the “senior manager” and everyone up to two levels below them.

or **“Stewardship”** is the act of taking care of and managing property, plant equipment on behalf of another.

“Useful life” is either:

- That the municipality has and maintains a system of internal control of assets, including an asset register, and
- That senior managers and their teams comply with this policy.

The Chief Financial Officer is responsible to the municipal manager to ensure that the financial investment in the municipalities’ assets is safeguarded and maintained.

The chief financial officer must ensure that:

- Appropriate systems of financial management and internal control are established and carried out diligently.
- The financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- The systems, processes and registers required to substantiate the financial values of the municipality’s assets are maintained to standards sufficient to satisfy the requirements of the auditor general;
- Financial processes are established and maintained to ensure the municipality’s financial resources are optimally utilized through appropriate asset plan, budgeting, purchasing, maintenance and disposal decisions;
- The municipal manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets;
- The senior managers and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets;
- The chief financial officer may delegate or otherwise assign responsibility for performing these functions but they will remain accountable for ensuring these activities are performed.



Asset manager must ensure that:

- Appropriate systems of physical management and control are established and carried out for assets in their area of responsibility.
- The municipal resources assigned to them are utilized effectively, efficiently, economically and transparently;
- Any unauthorized, irregular or fruitless or wasteful utilization, and losses resulting from criminal or negligent conduct, are prevented;
- Their asset management systems and controls can provide an accurate, reliable and up to date account of assets under their control;
- They are able to justify that their asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives;
- The asset manager may delegate or otherwise assign responsibility for performing these functions but they will remain accountable for ensuring these activities are performed.

4. Financial Management

4.1. Pre-Acquisition Planning

- Before a capital project is included in the budget for approval, the asset manager must demonstrate that they have considered:
 - The projected cost over all the financial years until the project is operational;
 - The future operational costs and revenue on the project, including tax and tariff implications;
 - The financial sustainability of the project over its life including revenue generation and subsidization requirements.
 - The physical and financial stewardship of that asset through all stages in its life including acquisition, installation, maintenance, operations, disposal and rehabilitation;
 - The inclusion of this capital project in the integrated development plan and future budgets and
 - Alternatives to this capital purchase.
- The chief financial officer is accountable to ensure the asset manager receives all reasonable assistance, guidance and explanation to enable them to achieve their planning requirements.

4.2 Approval to Acquire Property Plant and Equipment

- Money can only be spent on a capital project if:
 - The money has been appropriated in the capital budget;
 - The project, including the total cost, has been approved by the council;
 - The CFO confirms that funding is available for that specific project, and



- Any contract that will impose financial obligations beyond two years after the budget year is appropriately disclosed.

4.3 Funding of capital projects

- Within the municipality's ongoing financial, legislative or administrative capacity, the chief financial officer will establish and maintain the funding strategies that optimize the municipality's ability to achieve its strategic objectives as stated in the integrated development plan..
- The acquisition of assets will not be funded over a period longer than the useful life of that asset.

4.4 Disposal of property plant and equipment

- The municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a non-current asset needed to provide the minimum level of basic municipality services.
- The municipality may transfer ownership or otherwise dispose of a non-current asset other than one contemplated above, but only after the council, in a meeting open to the public
- Has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services, and
- Has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.
- The decision that a specific non-current asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset been sold, transferred or otherwise disposed of.
- The municipal manager may approve the disposal of an item of property, plant and equipment as delegated by the municipal council. The delegations to approve contracts for the disposal an item of property, plant and equipment are stated in the Preferential Procurement Policy.
- The disposal an item of property, plant and equipment must be fair, equitable, transparent, competitive and cost effective and comply with a prescribed regulatory framework for municipal supply chain management. The Preferential Procurement Policy covers these issues.
- Transfer of assets to another municipality, municipal entity, national department or provincial department is excluded from these provisions.



5. Financial Asset registers

5.1.1 Establishment and Management of the Financial Asset register

- The Chief Financial Officer will establish and maintain the Asset Register containing key financial data on each item of Property, Plant or Equipment that satisfies the criterion for recognition.
- Asset Managers are responsible for establishing and maintaining any additional register or database required to demonstrate their physical management of their assets.
- Each asset manager is responsible to ensure that sufficient controls exist to substantiate the quantity, value, and location and condition of all assets in their registers.

5.1.2 Contents of the Financial Asset Register

- The details included in the non-current asset register will include :
 - The measurement bases used
 - The depreciation methods used
 - The useful life
 - Depreciation charged
 - The gross carrying amount
 - The accumulated depreciation
 - Date of acquisition
 - Date of disposal (if relevant)
 - Increases or the decreases resulting from revaluations (if relevant)
 - Method of calculating recoverable amount
 - Any restriction on title to the asset
 - Location
 - Strategic purpose and if it is required to provide minimum basic service
 - The Responsible Asset Manager

5.1.3 Internal Controls over the Financial Asset Registers

- Controls around the asset registers should be sufficient to provide an accurate, reliable and up to date account of assets under their control to the standards specified by the chief financial officer and required by the auditor-general.
- These controls will include physical management and recording of all acquisitions, assignments, transfers, losses and disposals of their assigned assets as well as regular stock-takes and systems audits to confirm the adequacy of their controls.



5.2 Physical Receipting and Management

5.2.1 Responsibilities of the asset manager

- The asset manager must ensure that the purchase of property, plant of equipment complies with all municipal policies and procedures.
- The asset manager must ensure that all moveable property, plant and equipment is duly processed and identified before it is received into their stewardship
- The asset manager must ensure all moveable assets received into their stewardship are appropriately safeguarded for inappropriate use or loss. This will include appropriate control over the physical access to these assets and regular stock takes to ensure any losses have not occurred. Any known losses should be immediately reported to the chief financial officer.
- The asset manager will do an annual stock take of property, plant and equipment as part of the annual reporting processes coordinated by the chief financial officer.
- The asset manager must ensure that property, plant and equipment is appropriately utilized these assets for the purpose that the municipality acquired them.

5.2.2 Receipt of property plant and equipment

- The municipal stores will manage the receipting of property, plant and equipment
- The process of receipting by the municipal stores will include :
 - Review of the authority to purchase including compliance with all procurement policies and budgetary limits
 - Review of all details required writing the assets on to the asset register
 - Assignment of the asset to the appropriate Asset Manager

5.2.3 The date of acquisition

- The date of acquisition of property, plant and equipment is deemed to be the time when legal title and control passes to the municipality
- This may vary for different categories of assets but will usually be the point of time when the municipal store approves payment for that item of property, plant or equipment.

5.3 Transfers to another Asset Manager

7.3.1 Permanent transfers to another Asset Manager

- An Asset Manager retains managerial accountability and control for a particular asset unless,



- Another Senior manager agrees in writing to accept responsibility for that assets, and
- The Chief Financial Officer endorses this transfer

- The Finance Directorate appropriately amends the Financial Asset register for all approved transfers.
- The new Asset Manager assumes all the accountabilities of the previous Asset Manager.

5.3.2 Relocation or Reassignment Plant or Equipment

- The Asset Manager must ensure that the asset is appropriately safeguarded for loss, damage or misuse wherever it is located. Safeguarding includes ensuring reasonable physical restrictions and delegated management is implemented.
- The Asset Manager must advise the Chief Financial Officer whenever an asset is permanently relocated or reassigned from the location (or base) or cost center recorded in the Financial Asset Register.

- The Asset Manager must advise the Chief Financial Officer whenever an asset is temporarily relocated or reassigned from the location (or base) or cost centre recorded in the Financial Asset Register. In this case, the Asset Manager must also advise the Chief Financial Officer when this asset is returned.



6. Management of attractive items

- Asset costing less than R5 000-00 but more than R500 are deemed to be attractive item unless that type of asset is specifically excluded by the Chief Financial Officer
- The requirements to manage attractive items include:
 - Receipting these items through specific control points
 - Maintaining and updating an attractive items register for these receipts
 - Delivery and assignment of an attractive item to a specified position
 - Regular stock takes by the assigned person to ensure these attractive items are being appropriately safeguarded
 - Regular audits by the finance department to ensure attractive items are being appropriately managed by the assigned persons
 - Recording and reporting of any disposal or loss of these attractive items to the CFO and adjustment of the attractive items register.
- Attractive items will not be :
 - Capitalized as an asset
 - Depreciated
 - Revalue
 - Recording in the financial asset register, or
 - Otherwise treated as an asset



7. Management and Operation of Property, Plant and Equipment

7.1 Accountability to manage property, plant and equipment

- Each Asset Manager is accountable to ensure that municipal resources assigned to them are utilized effectively, efficiently, economically and transparently. This would include :
 - Developing appropriate asset management systems, procedures, processes and controls for managing assets,
 - Provide accurate, reliable and up to date account of assets under their control,
 - The development and motivation of relevant strategic asset management plans and operational budgets that optimally achieve the municipality's strategic objectives.

7.2 Contents of a strategic asset management plan

- Asset Managers need to manage assets under their control to provide the required level of service or economic benefit at the lowest possible long-term cost. To achieve this, the Asset Manager will need to develop strategic asset management plans that cover :
 - Alignment with the Integrated Development Plan
 - Operational guidelines
 - Performance monitoring
 - Maintenance programs
 - Renewal, refurbishment and replacement plans
 - Disposal and Rehabilitation plans
 - Operational, financial and capital support requirements, and
 - Risk mitigation plans including insurance strategies
 - The operational budget are the short to medium term plan for implementing this strategic asset management plan

7.3 Reporting on Emerging issues

- Each Asset Manager should report to the Municipal Manager on issues that will significantly impede the assets capability to provide the required level of service or economic benefit.



8. Classification, aggregation and components

8.1 Classification of property plant and equipment

- Any asset recognized as an asset under this policy will be classified according to national recognized categories.
- These categories have been specified by the Accounting Standards Board and currently are included in GAMAP 17
- The Chief Financial Officer with the relevant Asset Manager may agree to subdivide these classifications further. This decision will be noted as an amendment to the classification schedule of the municipality and endorsed by the Municipal Manger, the Chief Financial Officer and the relevant Asset Manager.

8.2 Optional Treatment for Major Component

- An Asset Manager may, with agreement of the Chief Financial Officer, treat specified major components of an item of property plant or equipment as a separate asset for the purposes of this policy.
- These major components may be defined by its physical parameters (e.g. a reservoir roof) of its financial parameters (e.g. a road surface)
- In agreeing to these treatments the CFO must be satisfied that these components :
 - Have significantly a different useful life or usage pattern to the main asset,
 - Align with the asset management plans,
 - The benefits justify the costs of separate identification
 - It is probable that future economic benefits or potential service delivery associated with the asset will flow to the municipality,
 - The cost of the asset to the municipality can be measured reliably,
 - The municipality has gained control over the asset,
 - The cost is above the recognition threshold, and
 - The asset is expected to be used during more than one financial year.
- All such decisions and agreements will be confirmed before the beginning of the financial year and submitted for approval with the budget. Any amendments will only be permitted as part of a budget review.
- Once a major component is recognized as a separate asset, it may be acquired, depreciated and disposed of as if it were a separate asset.
- All other replacements, renewals of refurbishments of components will be expensed.



8.3 Recognition of network asset

- A network asset is a collection of assets that work together as a whole to deliver specified service or economic benefit e.g. library books, computer systems or office furniture
- A network asset should be recognized as an asset on the asset register, where its aggregate value exceeds 5% of the total value of all property, plant and equipment already recognized.
- At the discretion of the CFO, a network asset with an aggregate value of less than 5% but greater than 2% may be recognized as an asset on the asset register
- The Asset Manager is accountable for the management of the registers required to financially verify the value of a network asset.

9. Accounting for Property, Plant and Equipment

9.1 Recognition of property, plant and equipment

- An item of property, plant and equipment will be recognized as an asset when :
 - It is probable that future economic benefits or potential service delivery associated with the asset will flow to the municipality
 - The cost of the asset to the municipality can be measured reliably,
 - The cost is above the recognition threshold, and
 - The asset is expected to be used during more than one financial year.
- All other acquisitions of property, plant and equipment will be expensed.

9.2 Initial measurement

- An item of property, plant and equipment that qualified for recognition as a non-current asset should be initially measured at its “cost of acquisition”
- This “cost of acquisition” will include all costs required to bring the asset to the proper working condition and position for its intended use. These costs usually include the following :
 - Purchase costs (less any discount given)
 - Delivery costs
 - Installation costs
 - Professional fees for architects and engineers
 - Import duties
 - Non-refundable taxes
 - Site development costs
 - Contractor fees



9.3 Donations or exchanges

- Where an item of property plant and equipment is 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 non-current asset register if the fair value is greater than the recognition threshold.

9.4 Recognition threshold

- To ensure efficiency in the administration of this policy, the recognition of property plant and equipment as an asset will be limited to items costing R5 000-00 or more.
- The acquisition of property, plant and equipment costing less than R5 000-00 will be expenses but their management will need to comply with the policy on managing attractive items.

9.5 Carrying amount on property plant and equipment

- Subsequent to initial recognition as an asset, an item of property, plant and equipment should be carried at its cost less any accumulated depreciation, subject to the requirement to write an asset down to its recoverable amount or any subsequent revaluation.

9.6 Depreciation

- The depreciable amount of an item of property, plant and equipment should be allocated on a systematic basis over its useful life.
- The depreciation method used should reflect the pattern in which economic benefits or potential service provisions are consumed by the municipality
- The depreciation charge for each period will be recognized as an expense against the budget of the relevant Asset Manager unless it is included in the carrying amount of another asset.
- The depreciation method will be straight line unless the Chief Financial Officer is convinced that another method is more appropriate.

9.7 Initial determination useful life

- Each Asset Manager needs to determine the useful life of a particular item or class property, plant and equipment through the development of a strategic asset management plan that forecasts the expected useful life that asset. This should be developed as part of the Pre-Acquisition Planning that would consider the following factors :
 - The operational, maintenance, renewal and disposal program that will optimize the expected long term costs of owning that asset,



- Economic obsolescence because it is too expensive to maintain
 - Functional obsolescence because it no longer meets the municipalities needs,
 - Technological obsolescence,
 - Social obsolescence due to changing demographics, and
 - Legal obsolescence due to statutory constraints
- GAMAP 17 provides a schedule of useful lives (include as an annexure). These should be used as a guide to the minimum useful lives only because actual asset lives experienced greatly exceed those recommend lives.
 - Spares purchased specifically for a particular asset, or class of assets, and which would become redundant if that asset or class was retired or use of that asset or class was discontinued, must be considered to form part of the historical cost of that asset or class. The depreciable amount of such spares must be allocated over the useful life of the asset or class.

9.8 Review of useful life.

- The useful life of an item property, plant and equipment should be reviewed annually and if expectations are significantly different from previous estimates, the depreciation charge for the current and future periods should be adjusted.

9.9 Review of depreciation method

- The depreciation method applied to property, plant and equipment should be reviewed annually, and if there has been a significant change in the expected pattern of economic benefits or potential service delivery from those assets, the method should be changed to reflect the changed pattern.
- When such a change in depreciation method is necessary the change should be accounted for as a change in according estimate and the depreciation charge for the current future periods should be adjusted.

9.10 Subsequent expenditure on property plant and equipment

- Subsequent expenditure relating to an item of property, plant and equipment that has already been recognized should be added to the carrying amount of the asset when it is probable that future economic benefits or potential service delivery, in excess of the originally assessed standard of performance of the existing asset, will flow to the municipality
- All other expenditure should be recognized as an expense in the period in which it occurred.



- Before allowing the capitalization of subsequent expenditure, the Chief Financial Officer must be satisfied that this expenditure significantly :
 - Increases the life of that asset beyond that stated in the asset register, or
 - Increases the quality of service that asset beyond the existing level of service, or
 - Increases the quantity of services that asset can provide, or
 - Reduces the future assessed costs of maintaining that asset.
- Expenditure that is proposed to be capitalized must also conform to recognition criteria for non-current assets and should also be appropriately included in the approved capital budget.
- Where it is desired to capitalize future component replacements, refurbishments or renewals, then please refer to the section on major components in this policy.

9.11 Reduction of the carrying amount

- The carrying amount of a non-current asset should be reviewed annually to assess whether or not the recoverable amount has declined below the carrying amount.
- When such a decline has occurred, the carrying amount should be reduced to the recoverable amount.
- The amount of the reduction should be recognized as an expense immediately, unless it reverses a previous revaluation in which case it should be charged to a non-distributable reserve.
- For assets providing economic benefits, the recoverable amount is the net present value of future ownership.
- For assets providing future service delivery, the recoverable amount is the remaining proportional of its useful life, service capacity or quality of service that is not intended to be restored by normal maintenance programs.

9.12 Subsequent increase in recoverable amount

- A subsequent increase in the recoverable amount of an asset, previously written down due to a decline in the carrying amount should be written back when the circumstances and events that led to the write – down or write-off cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.
- The amount written back should be reduced by the amount that would have been recognized as depreciation had the write-down or write-off not occurred.



9.13 Reduction of the carrying amount

- The carrying amount of a non-current asset should be reviewed annually to assess whether or not the recoverable amount has declined below the carrying amount.
- When such a decline has occurred, the carrying amount should be reduced to the recoverable amount.

9.14 Accounting treatment on Disposal

- An item of property, plant and equipment should be eliminated from the balance sheet on disposal or when the asset is permanently withdrawn from use and no future economic benefits or potential service delivery is expected from its disposal.
- Gains or losses arising from the retirement or disposal of an item of property, plant and equipment should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the income statement.



10. Financial Disclosure

- The financial statements should disclose, in respect of each class of property, plant and equipment classified under the categories of infrastructure, community, heritage, investment properties and other assets :
 - a) The measurement bases used for determining the gross carrying amount. When more than one basis has been used, the gross carrying amount for that basis in each category should be disclosed.
 - b) The depreciation method used
 - c) The useful lives or the depreciation rates used
 - d) Depreciation charged in arriving at net surplus or deficit for the period.
 - e) The gross carrying amount and the accumulated depreciation at the beginning and the end of the period.
 - f) A reconciliation of the carrying amount at the beginning and the end of the period showing :
 - (i) Additions
 - (ii) Disposal
 - (iii) Acquisition through business combinations
 - (iv) Increases or the decreases resulting from revaluations
 - (v) Deductions in carrying amount
 - (vi) Amounts written back
 - (vii) Depreciation
 - (viii) Other movements
- The financial statement should also disclose :
 - (a) Whether or not, in determining the recoverable amount of items of property, plant and equipment, expected future cash flows have been discounted to their present values.
 - (b) The existence and amounts of restrictions on title and property, plant and equipment pledged as security for liabilities.
 - (c) The accounting policy for restoration costs relating to items of property, plant and equipment.
 - (d) The amount of expenditures on account of property, plant and equipment in the course of construction, and
 - (e) The amount of commitments for the acquisition of property, plant and equipment.
- When items of property are stated at revalued amounts, the financial statements should disclose :
 - (a) The basis used to revalue the assets
 - (b) The effective date of revaluation
 - (c) Whether an independent value was involved
 - (d) The nature of any indices used to determine replacement cost



- (e) The carrying amount of each class of property, plant and equipment that would have been included in the financial statements had the assets been carried at cost less depreciation.
- (f) The revaluation surplus, detailing the movement for the period
- (g) The portion of the depreciation charge relating to the revaluation.

<u>Infrastructure assets</u>	<u>Asset life</u> <u>years</u>	<u>Community Assets</u>	<u>Asset life</u> <u>years</u>
Electricity		Buildings (continue)	
Power stations		Libraries	
Cooling towers	30 years	Museums / Art galleries	30 years
Transfer kiosks	30 years	Parks	30 years
Meters	30 years	Public	30 years
Load control equipment	20 years	Conveniences / bathhouses	30 years
Switchgear equipment	20 years	Recreation centres	30 years
Supply / reticulation	20 years	Stadiums	30 years
Mains	20 years	Zoos	30 years
	20 years		30 years
Roads		Gas	
Motorways		Meters	
Other roads	15 years	Mains	20 years
Traffic island	10 years	Storage tanks	20 years
Traffic lights	10 years	Supply / reticulation	20 years
Street lightning	20 years		20 years
Overhead bridges	25 years	Sewerage	
Storm water drains	30 years	Sewers	
Bridges, subway & culverts	20 years	Outfall sewers	20 years
Car parks	30 years	Purification works	20 years
Bus terminals	20 years	Sewerage pumps	20 years
	20 years	Sludge machines	15 years
			15 years
Community assets		Pedestrian malls	
Buildings :		Footways	
Ambulance stations		Kerbing	20 years
Aquariums	30 years	Paving	20 years
Beach development	30 years		20 years
Care Centre	30 years	Airports	
Cemeteries	30 years	Aprons	
Civic theatres	30 years	Runways	20 years
Clinics / Hospital	30 years	Taxiways	20 years
Community centres	30 years	Airport / Radio beacons	20 years
Fire Station	30 years		20 years
Game reserves / rest camps	30 years		
Indoor sports	30 years		
	30 years		



<u>Recreational Assets</u>	<u>Asset life</u> <u>years</u>	<u>Other assets (continued)</u>	<u>Asset life</u> <u>years</u>
Bowling Greens		Buildings continued :	
Tennis Courts	20 years	Office buildings	
Swimming Pool	20 years	Old age homes	30 years
Golf courses	20 years	Quarries	30 years
Jukskei pitches	20 years	Tip sites	30 years
Outdoor sport facilities	20 years	Training Centres	30 years
Organ and Case	20 years	Transport facilities	30 years
Lakes and dams	20 years	Worskhop/depots	30 years
Fountains	20 years		
Floodlighting	20 years	Office equipment	
Security Measures		Computer hardware	
Fencing		Computer software	3 years
Security Systems	3 years	Office machines	3 years
Access Control	5 years	Air conditioners	3 years
	5 years		5 years
Water		Furniture and fittings	
Meters		Chairs	
Mains	15 years	Tables / desks	7 years
Rights	20 years	Cabinets / cupboards	7 years
Supply / reticulation	20 years	Miscellaneous	7 years
Reservoirs & Tanks	20 years		7 years
	20 years	Bins and containers	
Other assets		Household refuse bins	
Buildings		Bulk containers	5 years
Abattoirs			10 years
Asphalt plant	30 years	Emergency equipment	
Cable stations	30 years	Ambulances	
Caravan parks	30 years	Fire hoses	5 years
Cinemas	30 years	Emergency lights	5 years
Compacting stations	30 years		5 years
Hotels – Public / Tourist	30 years	Motor vehicles	
Hostels – Workers	30 years	Fire Engine	
Housing schemes	30 years	Buses	20 years
Kilns	30 years	Passenger vehicles	15 years
Laboratories	30 years	Motor cycles	5 years
Markets	30 years	Trucks / bakkies	3 years
Nurseries	30 years		5 years