

- PROCEDURE -

## **Asset Management - Minor Assets**

Non-Capitalised

## Procedure Statement

### Purpose

This procedure is to ensure the accurate recording and maintenance of Non-Capitalised Minor Assets within TAFE SA. This procedure will assist record, maintain and manage Minor Assets. The procedure will minimise the risk to government assets becoming run down and underutilised, throughout the lifecycle phase.

In the case of obtaining a minor asset, this procedure provides direction on the processes associated with acquiring a minor asset.

The procedure supports the Asset Management Policy.

### Scope

This procedure applies to all TAFE SA staff, workgroups and programs.

### Categorisation

There are varying types of Minor Assets across the Asset Management portfolio:

- > Operational assets ('plug in' requires a power source)
- > Handheld (does not require a power source)
- > Grouped minor assets (these assets can be accumulated in one space and add up to a high dollar value; in which case the bundled assets will be treated as a Major Asset)
- > Information Communication Technology (ICT) assets (independent of assets team)
- > Infrastructure (buildings, sheds, open spaces)
- > Leased assets (industry partnership).

## Roles and Responsibilities

TAFE SA staff responsibilities are clarified throughout the body of the procedure.

- > Facilities and Projects – Are the custodians of all assets across TAFE SA
- > Educational Workgroups – Are custodians for all minor assets
- > ICT – Are custodians to all ICT related assets

### Procedure Details

This procedure will detail maintaining records of minor assets. Minor assets within this procedure have an acquisition cost greater than \$1,000 and up to \$9,999 inclusive of delivery, installation and commissioning. Assets under the \$1,000 threshold can also be included where workgroups may consider the assets of an attractive nature.

## Non-ICT Minor and Attractive Assets

All non-ICT minor assets with an acquisition cost between \$1,000 and \$9,999 shall be recorded in an asset register maintained by Facilities and Projects Directorate and will be in accordance with their operational and system requirements.

## Acquiring a Minor Asset

There are varying ways to purchase minor assets,

- > Credit Card purchase
- > Basware purchases
- > Purchase via Facilities Management

Once the purchase has been acquired the delivery of the minor assets will be as followed.

- > the purchasing process has been approved and the assets have been delivered to site
- > All deliveries are to be received by Campus Logistics Operations in both metropolitan and regional sites.
- > Logistics receipt all items
- > Logistics undertake test and tag
- > Logistics barcode assets
- > Logistics populate the asset register with required details as per work instructions
- > Logistics contact the Manager of Teaching Plant and Equipment to identify if a Safe Work Operating procedure and or Risk Assessment are required for the minor asset
- > Logistics contact and or deliver and asset to the business unit

## Asset Register Details

The asset register will contain relevant data beyond that required for financial reporting. The information such as outlined below must be recorded and constantly updated during the lifetime of an asset.

- > Location (site, building, room)
- > Type of asset
- > Make, model, serial,
- > Purchased Cost (including delivery, installation and commissioning)
- > Useful life
- > Risk assessments
- > Safe Operating Procedures
- > Plant Registrations

In addition to this information the asset register will contain data on acquisition, identification, performance, disposal, and financial accounting to assist in the decision-making process.

## Tracking Plant and Equipment

Tracking plant and equipment is essential to increasing the efficiency, better time management and will increase revenue through improved management.

The ServiceNow asset register will have the ability to track/record assets via a barcode system, this will allow assets to be accounted for throughout the lifecycle phase and reduce loss/theft.

## Inactive Assets

Minor inactive assets require capturing and will be identified in the ServiceNow system for the following analysis to be made.

- > Are the assets inactive due to being tagged out?
  - If this is the case, a service request will need to be logged and the asset will need to be fixed
- > Are the assets inactive due to not being utilised within the education space?
  - If this is the case TAFE SA will need to determine if the educational program will return
  - If the educational requirement is not recommencing, the asset will need to be disposed.
  - If the asset is no longer fit for purpose the asset will need to be disposed

All assets that have not been utilised for a 12-month period should be disposed and proceeds will be re-invested back into further teaching plant and equipment.

## Asset Reconciliation

All assets will be verified by workgroups at least once every year to ensure the following

- > The asset still exists and is being used for its intended purpose
- > The Preventative Maintenance regime is adequate
- > Location of the asset is correct
- > Note if assets have been sold or transferred to other areas across the agency and or non for-profit organisations
- > Note the listing of assets sold or written off since last stocktake
- > Provide any missing details from the listing of assets (for example, serial numbers)
- > Details of assets located within the workgroup which are not listed
- > Condition of assets with any unserviceable or obsolete items identified for appropriate disposal action.
- > Sign off by the workgroup unit manager to certify details are correct before providing to the Business Unit Director and provided to Facilities and Projects directorate.

Once the information is received from workgroup/s the asset register will be updated and circulated back to the users.

## Lifecycle of Assets

An asset life cycle is a strategic and analytical approach to the management of TAFE SA assets. All assets must be life cycled; this is done on a condition matrix over the life span of the asset.

Condition Levels	Categorisation	Expected Life
Level 1	Very Poor	End of life
Level 2	Poor	80%
Level 3	Fair	50%
Level 4	Good	30%
Level 5	Very Good	10%

Throughout the process intervention will be required within preventative maintenance intervals to enhance the expected useful life, this will allow the asset to have an optimal lifecycle. This process will also allow for future planning and investment of new assets.

## Asset Disposal

Please refer to the Procedure Facilities and Projects Salvage Disposal Policy for the disposing assets.

## Definitions

Define any key terms and acronyms used in this document.

Wherever possible or appropriate, use definitions from relevant legislation or other relevant documents (which guide the policy) to ensure consistency.

Term	Definition
Asset	<p>An item, thing or entity that has potential or actual value to an organisation.</p> <p>Assets include property, buildings, plant and equipment.</p>
Assets Treatment	<p>Paragraph APS 2.12 of APF III Accounting Policy Framework states that assets acquired at no cost or for nominal consideration are to be recognised initially at their fair value (DR asset and CR revenue).</p> <p>Assets (and liabilities) acquired as a consequence of a restructure of administrative arrangements will be</p>

	recognised at book value; that is, the amounts recorded by the transferor public authority immediately prior to the restructure.
Disposal	<p>Disposal of a non-current asset is defined as a non-current asset that is:</p> <ul style="list-style-type: none"> <li>• individually sold</li> <li>• sold as part of the sale of a government business that has been discontinued</li> <li>• gifted or donated to another organisation</li> <li>• exchanged or traded for another</li> <li>• stolen or destroyed</li> <li>• transferred to a local government council or municipality under the provisions of a specific act of parliament; or</li> </ul> <p>transferred to another government department or agency under a restructure of administrative arrangements.</p>
Bar Code	All fixed assets will be marked with a pre-numbered adhesive bar code and be uniformly placed on similar types of plant or equipment, in a visible location.
Attractive Items	Portable and attractive items that usually have a value below a capitalisation threshold and are susceptible to theft or loss due to their portable nature and personal / resale value.
Asset Lifecycle	<p>Key milestone elements of the life of an asset:</p> <ul style="list-style-type: none"> <li>• Planning</li> <li>• Acquisition</li> <li>• Operation and maintenance</li> <li>• Review</li> </ul> <p>Disposal.</p>
Reconciliation	Accounting process that compares two sets of records to check that figures are correct and in agreement.

## Associated Documents and References

Refer to Associated Documents and References

Reference Number	Document/Reference Title
AASB 116	Australian Accounting Standards Board: <a href="#">Property, Plant and Equipment</a>
Code of Ethics	<a href="#">Code of Ethics for the South Australian Public Sector</a>

DTF - APF III	Department of Treasury and Finance: <a href="#">Accounting Policy Framework – APFIII Asset Accounting Framework</a>
	Department of Treasury and Finance: <i>Financial Management Framework</i>
PPMF   TAFESA   183	<a href="#">Financial Management – Capital Budgets and Submissions</a>
TAFE SA	<i>Form FIN 50 – Plant &amp; Equipment Asset Movement form</i>
TAFE SA	<a href="#">Request for Approval to Disposal of Goods</a> form
Procurement Services SA	<a href="#">Procurement Services SA</a>
TAFE SA	<i>TAFE SA Asset Acquisition procedure</i>
PPMF   TAFESA	<i>Disposal – Goods (including inventory)</i>
PPMF   TAFESA   137	<i>TAFE SA Policy – Procurement Process</i>
TAFE SA	<a href="#">TAFE SA Salvage and Disposal delegation</a>

## Document Control

Approved by			
Policy Owner	Mark Hayward	Title	Executive Director Strategy and Infrastructure
Contact person:	Robert Quaglia	Telephone	
Responsible Unit			
Version number		0.# / 1.#	
Date of approval		7/7/2021	
Next Review Date		7/7/2023	
PPMF ID		PPMF TAFESA #####	