

## 1 PURPOSE

The Burnie City Council manages significant assets that by their nature and value, can be particularly susceptible to theft or loss. These assets are referred to as 'Portable and Attractive Assets'.

This policy details how the City will account for and manage these items.

## 2 OBJECTIVE

The objective of this policy is to ensure consistency and transparency in the way that the Council acquires, reports, audits and disposes of portable and attractive assets.

## 3 SCOPE

Definitions that relate to this policy include:

*Attractive:* 'by its nature' (size, utility, marketability) may be susceptible to theft or loss.

*Portable:* the item can be easily moved between locations by one person.

Portable and attractive assets are those items that, due to their nature and value, have the following characteristics:

- are in particular subject to risk of loss or theft due to their attractiveness;
- have a GST exclusive value of between \$500 to \$1,000; (i.e. they do not meet the definition of an assets);
- are readily moveable/detachable and easily portable; or
- may be easily concealed and readily disposed of.

On the basis of the above characteristics and without restricting the application of this section, the following assets are automatically classified as portable and attractive items:

- Cameras, video and audio equipment;
- Mobile phones, iPads, tablets and laptops;
- Power tools and trade equipment;
- Floating plant and loose tools;
- Automated External Defibrillator (AEDs);
- GPS and dash cams;
- Duress alarms; and
- Any other items so classified from time to time by the relevant Director.

## 4 POLICY

To ensure that portable and attractive assets are managed effectively, it is important that the Council maintain a Portable and Attractive Asset Register (PAAR). The PAAR will include the following information as a minimum:

- a description of the asset;
- the cost (for insurance purposes);
- any unique identification numbers such as serial number and asset tags;
- the identity of the asset custodian and their respective business unit; and
- the purchase and disposal date of the asset.

### **Asset recording**

To facilitate effective internal management, reporting and control over these assets, the assets will be registered and maintained in the PAAR by the Assistant Accountant - Assets.

It is the responsibility of the employee purchasing the asset, to complete the necessary form to identify the purchase for inclusion on the PAAR by completing the Asset Acquisition Form.

Costs for portable and attractive assets are to be expensed using the appropriate natural account as determined by the Council's chart of accounts. Given their low value and the asset not meeting the criteria of an asset, capital funding is not able to be used to procure these items.

The PAAR will detail the location and custodian of the asset. Due to their ability to directly exercise management and control over the asset, the custodian will be responsible for the safe custody of the asset.

Portable and attractive assets are removed from the register when they are disposed of (e.g. due to being obsolete, surplus or damaged beyond repair), lost or stolen. Ideally assets should be removed at the time of the disposal; however assets that are lost or stolen are typically only identified during a PAAR stocktake. It is the responsibility of the asset custodian or their business unit to provide the appropriate form that indicates an asset must be disposed, by completing the Asset Retirement Form.

### **Asset care and use**

All staff responsible for portable and attractive assets will ensure all possible means are taken for their proper use, care and safekeeping. Any damage incurred or repairs required will be brought to the attention of the relevant manager as soon as possible.

Managers and supervisors will need to ensure that consideration is given to the most adequate method of security of the asset depending upon the item. Considerations to be made include:

- alleviating fraud through misappropriation of the asset – subsequent prevention measures must be taken into account;
- appropriate controls exist to track the asset throughout its lifecycle;
- the method chosen to track the asset is an effective and efficient when taking account of the type, size and cost of the item.

Whilst a limited amount of private use for some portable and attractive items is considered reasonable, managers are to actively ensure that any private use of these items is limited and kept to a minimum.

### **Stocktake**

The relevant manager or supervisor of each business unit, will be responsible for ensuring that a stocktake of all registered portable and attractive assets within their jurisdiction, is carried out on an annual basis. The coordination of the stocktake will be facilitated by the Assistant Accountant – Assets.

To enable this, a report will be produced annually for each business unit outlining the assets that have custodians of portable and attractive assets within that unit; the last time the asset was part of a stocktake; and where applicable, the condition of the individual assets and its location.

Upon completion of the stocktake the Director of the respective business unit is to approve the submission of the stocktake to ensure that they are satisfied that effective management controls are in place to both monitor and track portable and attractive items.

The overall outcome of the annual stocktake will be reported to Director Corporate and Commercial Services and the Chief Financial Officer.

In addition to this regular annual stocktake, all registered portable and attractive assets may be subject to individual spot audits on a periodic basis to ensure that adequate control over these assets is being maintained.

### **Disposal of portable and attractive assets**

Once a decision has been made that a portable and attractive asset has reached the end of its useful life it is imperative that the asset is ethically disposed.

Disposal is a two phased process, entailing deactivation from the PAAR and the physical disposal of the item.

This function is often referred to as the asset retirement process. The completion of the Asset Retirement Form is mandatory for the disposal of an asset and must be completed and approved by the respective manager, prior to the disposal occurring. The general steps in the process are:

- Identify the asset for disposal.
- Determine the reason for disposal to support the retirement of the asset from the register. The reason shall be one of the following categories, that is the asset is:
  - Obsolete – no longer provides benefit to the Council or business unit or is outdated technology and no longer performs the function required
  - Destroyed – damaged beyond economical repair
  - Lost – unable to be located
  - Stolen
  - Exchanged under warranty
  - Stocktake write-off – items not located during the annual stocktake
  - Donated
  - Other – specific details must be proved
- Complete the Asset Retirement Form.
- Obtain signoff from the respective manager.

- Where an asset still exists and an ethical means of disposal is recommended, the approval of the respective Director is required.
- Ensure that assets that need to be physically disposed are ethically disposed, confirmed by two employees and documented on the Asset Retirement Form.
- Record the final documentation in Content Manager.
- Provide the Asset Retirement Form to the Assistant Accountant – Assets who will retire the asset.

From time to time there may be other reasons where disposal of an asset is considered appropriate, such as a terminating employee being provided the opportunity to acquire their technology if there is no operational need for the equipment ongoing. In these situations only the respective Director or General Manager is able to approve such arrangements.

The purchase arrangements negotiated in these situations are to be in line with the written down value of the asset, or fair value of the asset as determined by a suitably qualified technician.

## 5 LEGISLATION

Audit Act 2008  
Financial Management Act 2016  
AASB 116 Property, Plant and Equipment  
AASB 13 Fair Value Measurement  
Local Government Act (TAS) 1993

## 6 RELATED DOCUMENTS

- Asset Management Policy CP-CBS-SG-016
- Property, Infrastructure, Plant and Equipment Accounting Policy WP-CBS-FIN-002
- Portable and Attractive Asset Acquisition Form
- Portable and Attractive Asset Retirement Form

## 7 RESPONSIBILITIES

Parties or Persons	Responsibilities
General Manager	Overall responsibility to ensure that the Council complies with its obligations and responsibilities of the relevant legislative requirements.
Director Corporate and Commercial Services	Responsibility for monitoring compliance and suitability of this policy. Ensuring that appropriate procedures and practices are in place across the organisation.
Directors	To ensure that Departments are actively monitoring and safeguarding portable and attractive assets.

## Portable and Attractive Assets

Approved By: **Council**  
Doc Controller: **Director Corporate and Commercial Services**

Document Code: **CP-CCS-CG-051**  
Version: **1.0**  
Approved Date: **24 Aug 2021**  
Next Review Date: **24 Aug 2024**

Parties or Persons	Responsibilities
Managers and Supervisors	Responsibility for undertaking the annual stocktake for respective business units and ensuring that staff meet the operational requirements of this policy.
Assistant Accountant – Assets	Oversight of the maintenance and good governance of the Portable and Attractive Asset Register, and for coordinating the annual stocktake process.
Individual Asset Custodians	The safe custody of portable and attractive assets and ensuring that reporting requirements are facilitated in a timely manner, as required.

Policy Endorsement	
Minute Reference:	Item AO152-21
Council Meeting Date:	24 August 2021
Strategic Plan Reference:	Strategy 7.4.2 Demonstrate financial accountability and ensure strong internal controls underpin performance
Previous Policies Replaced:	This is a new policy.
Date of Commencement:	25 August 2021
Publication of Policy:	This policy may be accessed on the Intranet or by accessing the document from Content Manager (Doc 21/39633).