Assets policy

Version: 1.1 | **Version effective**: 20/12/2019

Audience

Department wide

Purpose

To ensure the consistent recognition, identification, safeguarding and recording of assets across the department.

Policy statement

Assets are property, plant or equipment that are owned by the department and have a future economic value that can be measured reliably.

Principles

Principle	What this means for the department
Accountability	The department recognises and reports assets promptly and accurately and in accordance with Australian Accounting Standards.
	The department effectively manages risks associated with assets through preventive and detective controls.
	The department will apply the provisions of the Financial Accountability Handbook, in particular, Information Sheet 3.9 – Asset Systems, to recognise, assess, record and safeguard assets and receivables.
	The department will apply the provisions of the Non-Current Asset Policies for the Queensland Public Sector (NCAP).
Effectiveness	Assets are used in accordance with departmental objectives and controls.
Performance	The department manages assets to maximise return on investment.
Sustainability	The department proactively manages its current and future asset requirements.

Requirements

- Assets are used only for authorised and permitted purposes.

- Assets are reported, disclosed and recognised as per the [Financial reporting requirements for Queensland Government agencies](#) and relevant accounting standards.

- The acquisition of rights of access and rent-free leases from parties external to the department is recognised as an intangible asset.

- A comprehensive physical revaluation of non-current physical assets, other than those in the class Plant and Equipment must be performed at five yearly intervals.

- An annual impairment test must be performed on land and buildings assets to ensure the carrying value of an asset does not exceed its recoverable amount.

- Assets are safeguarded to protect them and minimise losses from both internal and external events.

- Disposal of assets must be approved in accordance with [finance delegations](#).

- The department cannot invest without prior approval from the Treasurer as outlined in the *[Financial Accountability Act 2009](#)* (Qld).

Definitions

Term	Definition
Carrying value	Cost of an asset less accumulated amount of depreciation or amortisation.
Future economic benefit	Potential to contribute, directly or indirectly, to the flow of cash, or used to provide goods and services in accordance to the department's objectives.
Impairment test	Assessment of an asset to test whether the value of the asset has a permanent reduction.
Intangible asset	An asset that is not physical in nature, for example, intellectual property.
Recoverable amount	Asset's fair value (market value) less cost to sell.
Rent-free lease	An agreement developed in law as a lease for which there is not a stipulated rental payment or where the rental payment meets the minimum consideration required in law to validate a contract ($1 per annum). This is also commonly known as a 'peppercorn lease'.
Revaluation	Process to accurately describe the true value of capital assets owned by the department.
Right of access	Any contract through which the department has gained access to a facility controlled by an external entity for education purposes by means of a formal contract.

Legislation

- *Financial Accountability Act 2009* (Qld)

- Financial and Performance Management Standard 2019 (Qld)

Delegations/Authorisations

- Finance delegations

Policies and procedures in this group

- Equipment management for business units procedure

- Equipment management for schools procedure

Supporting information for this policy

- Nil

Other resources

- Code of Conduct for the Queensland Public Service, Queensland Government

- Financial Accountability Handbook, Queensland Treasury

- Financial reporting requirements for Queensland Government agencies, Queensland Treasury

- Non-Current Asset Policies for the Queensland Public Sector

- Expenditure policy

- Purchasing and procurement procedure

- Asset acquisition (DoE employees only)

- Asset planning and replacement (DoE employees only)

- Asset revaluation (DoE employees only)

- Asset stocktake (DoE employees only)

- Assets (DoE employees only)

- Capital works in progress (DoE employees only)

- Computer software assets (DoE employees only)

- Disposing assets (DoE employees only)

- Electrical inspections (DoE employees only)

- Equipment on loan (DoE employees only)

- Inventory or stock-on-hand (DoE employees only)

- Leasing assets (DoE employees only)

- [Misuse of assets](#) (DoE employees only)

- [Prepayments](#) (DoE employees only)

- [Recording air conditioners](#) (DoE employees only)

- [Safeguarding assets](#) (DoE employees only)

- [Financial Management Tools, Queensland Treasury](#)

[Australian Accounting Standards](#), in particular:

- AASB 3 Business Combinations

- AASB 5 Non-Current Assets Held for Sale and Discontinued Operations

- AASB 13 Fair Value Measurement

- AASB 102 Inventories

- AASB 111 Construction Contracts

- AASB 116 Property, Plant and Equipment

- AASB 117 Leases

- AASB 132 Financial Instruments: Presentation

- AASB 136 Impairment of Assets

- AASB 138 Intangible Assets

- AASB 1004 Contributions

- AASB 1049 Whole of Government and General Government Sector Financial Reporting

- Framework for the Preparation and Presentation of Financial Statements

- Interpretation 132 Intangible Assets - Web Site Costs

- Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities

Contact

For further information, please contact:

Finance Branch through the [Services Catalogue Online](#) (DoE employees only).
Customers and users external to the department should email financialreporting.finance@qed.qld.gov.au

Review date

25/02/2024

Superseded versions

Previous seven years shown. Minor version updates not included.

1.0 Assets Policy

Queensland
Government

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