# SOL PLAATJE LOCAL MUNICIPALITY



# DIRECTORATE FINANCIAL SERVICES ASSET MANAGEMENT

Resolution number: C53/05/25

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#### ABBREVIATIONS

AM	Asset Management
AMIS	Asset management information system
AMP	Asset management plan
AMS	Asset management system
AMO	Asset management office
AR	Asset Register
CFO	Chief Financial Officer
COGTA	Department of Co-operative governance and traditional affairs
DCM	Deputy City Manager
FAR	Financial asset register
GIS	Geographical information system
GRAP	Standards of Generally Recognised Accounting Practice
IAM	Immovable asset management
IAS	International accounting standards
IDP	Integrated development plan
KPI	Key performance indicator
MFMA	Municipal Finance Management act
mSCOA	Municipal standard chart of accounts
SAMP	Strategic asset management plan
OHSA	Occupational health and safety act
0&M	Operation and maintenance
PPE	Property, plant and equipment
SDBIP	Service delivery and budget implementation plan
SCM	Supply chain management
TAR	Technical asset register
SCA	Senior control accountant

# 2. Definitions

Definitions have been established through legislation, standards, and other guidance on Asset Management; hence reference has been made to sources. Where definitions do not exist, terminology has been defined for the purposes of this Policy.

**Assets** are resources controlled by an entity because of past events and from which future economic benefits or service potential are expected to flow to the entity. (GRAP 1)

**Asset Custodian** is an incumbent in any position or level in the organisation entrusted with the safeguarding and use as well as the condition monitoring of a specific asset.

**Asset Lifecycle** is the cycle of activities that an asset goes through - including planning, design, initial acquisition or construction, cycles of operation and maintenance and capital renewal, and finally disposal.

**Asset Management** is a broad function and includes a structured process of decision- making, planning and control over the acquisition, use, safeguarding and disposal of assets to maximise their service delivery potential and benefits, and to minimise their related risks and costs over their entire lives.

**Asset Management Plan** is a plan developed for the management of infrastructure asset portfolios that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the assets in the most cost-effective manner to provide a specified level and standard of service, including a short, medium- and long-term cash flow projection.

**The Asset Manager** is an official who has been delegated responsibility and accountability for the control, usage, physical and financial management of the municipality's assets in accordance with the entity's standards, policies, procedures and relevant guidelines.

**Asset Register** is a record of information on each asset that supports the effective financial and technical management of the assets, and meets statutory requirement/s.

#### Biological assets are living animals or plants.

**Capital assets** are all assets with a life cycle of greater than one year and above the capitalisation threshold (where applicable). For example, this would include property, plant and equipment (infrastructure network, furniture, motor vehicles, computer equipment, etc.), intangible assets, and investment property. The words capital assets in this Policy are synonymously used with the words fixed assets.

**Carrying Amount** is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses. (GRAP 17)

**Class of immovable PPE** is defined as a group of assets of a similar nature or function in the entity's operations.

**Community assets** are any asset that contributes to the community's well-being. Examples are parks, libraries and fire stations.

**Component** is a part of an asset with a significantly different useful life and significant cost in relation to the rest of the main asset. Component accounting requires that each such part should be separately accounted for and is treated separately for depreciation, recognition and de-recognition purposes. It is also referred to as separately depreciable parts.

**Control** is not recognised as an asset unless the entity has the capacity to control the potential of the service or future economic benefit of the asset is able to deny or regulate access of others to that benefit and has the ability to secure the future economic benefit of that asset. Legal title and physical possession are good indicators of control but are not infallible.

**Cost of an Asset** is the amount of cash or cash equivalent/s paid, or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction. The cost of acquisition will include all expenditure needed to bring the asset to the condition and position for its intended use which usually includes:

- Purchase cost (less any discounts given)
- Delivery cost
- Installation cost
- Professional fees, e.g. engineering fees
- Site development fees

**Current Replacement Cost** is the cost of replacing an existing asset with a modern asset of equivalent capacity. (DPLG Guidelines)

**Depreciable Amount** is the cost of an asset, or other amount substituted for cost, less its residual value. (GRAP 17)

**Depreciated Replacement Cost** is a measure of the current value of an asset based on its current replacement cost less an allowance for deterioration of condition of date (based on the fraction of remaining useful life/expected useful life).

**Depreciation** is the systematic allocation of the depreciable amount of an asset over its useful life. (GRAP 17)

Directly attributable costs are defined as:

- cost of employee benefits arising directly from the construction or acquisition of the item.
- costs of site preparation.
- initial delivery and handling costs.
- installation and assembly costs, cost of testing whether the immovable PPE, or
- associated intangible assets are functioning properly, after deducting the net proceeds from selling any item produced while bringing the asset to that location and condition.
- commissioning (cost of testing the asset to see if the asset is functioning properly, after deducting the net proceeds from selling any item produced while bringing the asset to its current condition and location).
- professional fees (for example associated with design fees, supervision, and environmental impact assessments) (in the case of all asset classes).
- Proper transfer taxes (in the case of all asset classes).

**Disposal** is the action or process of getting rid of something, the sale of shares, property, or other assets,

Discontinued operation is a component of an entity that has been disposed of and:

(a) represents a distinguishable activity, group of activities or geographical area of operations; (b) is part of a single co-ordinated plan to dispose of a distinguishable activity, group of activities or geographical area of operations; or (c) is a controlled entity acquired exclusively with a view to resale

Economic Life is either:

- the period over which an asset is expected to yield economic benefits or service potential to one or more users, or
- the number of production or similar units expected to be obtained from the asset by one or more users. (GRAP 13)

**Enhancement/Rehabilitation** is an improvement or augmentation of an existing asset (including separately depreciable parts) beyond its originally recognised service potential, for example, remaining useful life, capacity, quality, and functionality.

Economic benefits Economic benefits are derived from immovable PPE that generate net cash inflows.

**Fair Value** is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. (GRAP 17)

**Financial fixed assets register** is the register controlled by the Chief Financial Officer specifically used for the administration of assets as prescribed by various GRAP standards.

**Fixed asset** is an asset 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).

**Heritage assets** are ones of cultural, historic or environmental significance, such as monuments, nature reserves, and works of art. A heritage asset shall be recognised as an asset if it is probable that future economic benefits or service potential with the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably. Examples are works of art, historical buildings and statues.

**Immovable assets** are fixed structures such as buildings and civil structures. Plant that is built-in to the fixed structure and is an essential part of the functional performance of the primary asset is considered an immovable asset (though it may be temporarily removed for repair).

**Impairment** is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation

**Investment property** is defined as property (land and/or a building, or part thereof) held (by the owner or the lessee under a finance lease) to earn rentals or capital appreciation, or both (rather than for use in the production or supply of goods or services or for administration purposes or sale in the ordinary course of operations). Examples of investment property are office parks, shopping centres or housing financed and managed by an entity (or jointly with other parties). There is no asset hierarchy for investment property; each functional item will be individually recorded. Land held for a currently undetermined use is recognised as investment property until such time as the use of the land has been determined.

**Intangible assets** are defined as identifiable non-monetary assets, without physical substance. Examples are licenses/ rights (such as water licenses) and servitudes.

An asset meets the criterion of being identifiable in the definition of an intangible asset when it:

• 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, asset or liability, or

• arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable and separable from the entity or from other rights and obligations.

Infrastructure assets mean assets that usually display some or all of the following characteristics

- a) they are part of a system or network.
- b) they are specialised in nature and do not have alternative uses.
- c) they are immovable; and
- d) They may be subject to constraints on disposal. (GRAP 17)

Examples of infrastructure assets include road networks, sewer systems, water and power supply systems and communication networks. Movable assets such as vehicles that are directly used in the delivery of the service (such as waste removal trucks can also be included as part of infrastructure).

Leased assets: A lease is an agreement whereby the lessor conveys to the lessee (in this case, the entity) the right to use an asset for an agreed period of time in return for a payment or series of payments. Leases are categorised into finance and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset, even though the title may not eventually be transferred (substance over form). Where the risks and rewards of ownership of the immovable PPE are substantially transferred to the entity, the lease is regarded as a finance lease and the asset recognised by the entity as immovable PPE. Where there is no substantial transfer of risks and rewards of ownership to the entity, the lease is considered an operating lease and payments are expensed in the income statement on a systematic basis (straight line basis over the lease term).

**Major inspections:** Major inspections are ones that are considered essential to the ongoing use of an item. The condition of continuing to operate an item of PPE may be to perform regular major inspections for faults regardless of whether parts of the item are replaced (for example, Occupational Health and Safety Act no. 85 of 1993 requires lifting equipment to be inspected once a year). When each major inspection is performed, its cost is recognised in the carrying amount of the item of PPE as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed.

**Maintenance/Refurbishment** to an asset will restore or maintain the originally assessed future economic benefits or service potential that an entity can expect from an asset and is necessary for the planned life to be achieved.

**Minor Asset** is an asset, other than a capital asset, which is fully depreciated in the year of acquisition. Minor assets need to be managed and safeguarded and recorded in a register ("Toolbox Register')

**Movable Asset** is an asset that is not a fixed structure and is easily moved from one location to another. Movable Assets are not subject to constraint on disposal

The Municipal Manager is the person defined as the Accounting Officer of a municipality (MFMA S60).

**Property, plant and equipment** (PPE) are tangible assets that are held for use in the production or supply of goods or services, for rentals to others, or for administrative purposes; and are expected to be used during more than one period.

**Recoverable Amount** is the higher of a cash-generating asset's or unit's net selling price and its value in use.

**Recoverable Service Amount** is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. (GRAP 17)

**Refurbishment** to an asset will restore or maintain the originally assessed future economic benefits or service potential that an entity can expect from an asset and is necessary for the planned life to be achieved.

**Remaining Useful Life** is the time remaining (of the total estimated useful life) until an asset ceases to provide the required service level or economic usefulness.

**Renewal** is the work required to replace/enhance/rehabilitate an asset. Expenses on renewal works are considered capital expenditure.

**Residual Value** of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. (GRAP 17)

**Spares and materials** used on a regular basis in the ordinary course of operations are usually carried as inventory (i.e. they are not usually considered fixed assets) and are expensed when consumed. Spares that constitute an entire or significant portion of a component type, or a specific component, defined in the immovable PPE asset hierarchy are considered capital spare parts and are recognised as an item of PPE immediately that they are available for use and in a location and condition necessary for it to be capable of operating in a manner intended by management.

**Service level** measures the performance of an infrastructure system. Certain goals are defined, and the service level gives the percentage to which those goals should be achieved.

**Service Potential** An asset has service potential if it has the capacity, singularly or in combination with other assets, to contribute directly or indirectly to the achievement of an objective of the entity, such as the provision of services. Service Potential is a tangible capital asset's output or service capacity, normally determined by reference to attributes such as physical output capacity, quality of output, associated operating costs and useful life.

**Strategic Asset Management Plan** The high-level, long-term approach to asset management indicting the alignment between organisational objectives and asset management objectives, the role of the asset management system (or framework) including asset management action plans and objectives for managing the assets.

**The system** in this Policy refers to either an information technology program or a manual business process but normally refers to both simultaneously.

**Upgrade/Enhancement** is an improvement or augmentation of an existing asset (including separately depreciable parts) beyond its originally recognised service potential, for example, remaining useful life, capacity, quality, and functionality.

**Useful life** is defined as the period over which an asset is expected to be available for use by an entity, or the number of production or similar units expected to be obtained from the asset by an entity. Useful Life is:

- the period over which an asset is expected to be available for use by an entity, or
- the number of similar units expected to be obtained from the asset by an entity. (GRAP 17)

# 3. Policy Objectives and scope

This Policy refers to the policy of the Sol Plaaitjie Municipality (SPM) in response to the management of its assets from a financial and physical management perspective. The scope includes all movable and immovable assets, tangible and intangible assets.

This policy document supersedes all previous Fixed Asset Management Policy instructions that have been issued. This policy does not supersede but only complements all other Municipal policies directly and indirectly related to Fixed Asset Management, such as municipal land valuations (Municipal Rates Policy), Fleet Management Policy, ICT Policy and the Supply Chain Management Policy.

The objectives of this Policy are to ensure that the Municipality:

- apply asset management practice in a consistent and cost-effective manner, in accordance with MFMA, mSCOA and other related legislation recognised good practice, and in alignment with the Municipality's operational context.
- manages all assets used to support services delivered by the Municipality in a sustainable manner, at a level of service determined by the Council, and responsive to the short, medium- and long-term needs of the broader community and stakeholders.
- provides a strategic framework within which these assets are managed; and
- implements asset accounting in compliance with prevailing accounting standards (GRAP).
- Outlines accountability roles in the safeguarding and management of assets.

To support the achievement of these objectives, the Municipality has adopted the following key business strategies:

- improved organisational efficiency through the adoption of standardised processes, systems, data models and data across all sector departments.
- more effective service delivery through more structured, holistic and informed infrastructure lifecycle planning and decision making.
- more efficient service delivery through optimised infrastructure lifecycle implementation.
- more robust financial asset management through the adoption of systems and processes aligned to an appropriately structured technical asset register that is updated on an ongoing basis.
- establishing and maintaining a system for the planned maintenance of assets.
- clear allocation of responsibility and accountability for the various elements of the asset management process.
- effective and accurate reporting on municipal assets; and
- regular review and ongoing improvement of asset management practice.

# 4. Statutory and Regulatory Framework

The South African Constitution requires municipalities to strive, within their financial and administrative capacity, to achieve the following objectives:

- provide democratic and accountable government for local communities.
- ensure the provision of services to communities in a sustainable manner.
- promote social and economic development.
- promote a safe and healthy environment; and
- Encourage the involvement of communities and community organisations in matters of local government.

The way the Municipality manages its fixed assets is central to meeting the above challenges. Accordingly, the Municipal Systems Act (MSA) specifically highlights the duty of municipalities to provide services in a manner that is sustainable.

The Municipal Finance Management Act (MFMA) requires municipalities to utilise and maintain their assets in an effective, efficient, economical and transparent manner. The MFMA specifically places responsibility for the management of municipal fixed assets with the City Manager, as the Accounting Officer.

National Treasury in 2008 issued Local Government Capital Asset Management Guidelines, and then, in 2017 regulated the Municipal Standard Chart of Accounts (mSCOA) that is aligned to the Cities Infrastructure Development and Management System (CIDMS) regarding asset reporting and structure.

The Occupational Health and Safety Act (OHSA) requires municipalities to provide and maintain a safe and healthy working environment, and to safeguard its fixed assets.

CoGTA issued guidelines in 2006 in line with emerging international practice recommending that an Infrastructure Asset Management Plan (IAMP) to be prepared for each sector (such as potable water etc.). Also, these plans should be used as inputs into a Strategic Asset Management Plan (SAMP) that presents an integrated plan covering all infrastructure sectors. The arrangements outlined in the CoGTA guidelines were further strengthened in 2008 by National Treasury's Local Government Capital Asset Management Guidelines, and then, in 2014, by the South African National Standard (SANS) 55000 series (in line with an international standard) indicating the requirements for asset management systems.

Accordingly, this Asset Management Policy addresses the need not only for financial compliance in accounting for assets, but also good practice in the physical management of assets in the pursuit of the municipality's mandated responsibilities for service delivery, and, importantly, it addresses the fundamental linkage between these activities.

# 5. Background and Context

### 5.1 Physical Management of Assets

Effective management of infrastructure is central to the Municipality being able to provide an affordable and acceptable standard of services to the community. The Municipality is required to be effective at a strategic and tactical level, and also at an operational level - the manner in which the Municipality discharges its responsibilities as a public entity is also important. The Municipality is required to demonstrate sound stewardship over the significant inter-generational investment that has been made in infrastructure, as well as custodianship to appropriately care for current users. The processes adopted must be efficient, sustainable, and effectively communicated to internal and external stakeholders.

Therefore, the Municipality is mandated to operate in accordance with Legislation entrenched by the Integrated Development Plan (IDP) as the principal strategic planning mechanism for local government. The IDP provides a framework for development within the municipality, however, it cannot be compiled in isolation. Therefore, for National related objectives to be achieved, the Municipality's IDP needs are informed by robust, relevant and holistic information relating to the management of the Municipality's infrastructure assets.

Thus, the Municipality's Limited resources are directed to address the most critical needs that are required to achieve a balance between maintaining and renewing existing infrastructure whilst also addressing backlogs in basic services and accommodating on- going changes in demand. To achieve effective decision-making in this regard, the Municipality strives to ensure effective integration of inputs provided by officials from several departments, including the departments responsible for infrastructure-based service delivery as well as those responsible for corporate, financial, development and specialised services.

#### 5.2 Operational context

The municipality has made progress in financial asset management through the use of the SOLAR financial system, which includes an embedded Financial Asset Register (FAR) for asset accounting. However, the municipality currently lacks a mature, integrated Asset Management Information System (AMIS) to support both financial and physical asset management comprehensively. Technical systems, such as Geographical Information System (GIS), Maintenance Management, etc. are either not implemented or lack integration with SOLAR, limiting the municipality's ability to manage physical assets effectively. Physical asset management functions, such as maintenance planning and asset management plan preparation, are currently performed on an ad-hoc basis by Infrastructure Services managers, coordinated by the Asset Management Unit (AMU), using manual processes.

In the future, SPM aims to establish a mature AMIS that integrates financial and technical asset management functions, aligning SOLAR with technical systems (e.g., GIS, SCADA) and standardized asset data models. This will enable automated data updates, spatial referencing, and enhanced lifecycle planning. Additionally, a dedicated Physical Asset Management (PAM) role will be established under the Infrastructure Services Department to oversee physical asset management activities, ensuring alignment with recognized good industry practices, such as the South African National Standard (SANS) 55001. The municipality's approach will focus on:

- Accurate recording of essential asset information and movements, supported by the future AMIS.
- Implementing planned maintenance schedules through an integrated maintenance management system.
- Exercising strict physical control over assets, guided by the future PAM role.
- Reporting assets accurately in financial statements, compliant with Generally Recognised Accounting Practices (GRAP).
- Providing meaningful management information through AMIS-generated reports.
- Ensuring adequate insurance of assets.
- Raising awareness among managers of their asset management responsibilities.
- Setting standards for management, recording, and internal controls to safeguard assets against inappropriate use or loss.

#### 5.3 Asset Data Management

Given the critical role of data integrity in accurate reporting and informed decision-making for service delivery, the municipality is committed to improving its asset data management practices. Currently, asset data is primarily managed through the SOLAR financial system's Financial Asset Register, with limited technical data collected manually by Infrastructure Services managers and coordinated by the Asset Management Unit (AMU). The absence of a mature Asset Management Information System (AMIS) and technical systems (e.g., GIS, Maintenance Management, etc.) restricts the municipality's ability to maintain a comprehensive, up-to-date dataset that supports both financial and physical asset management.

In the future, SPM aims to implement a mature AMIS to establish a single, aligned dataset that meets the needs of financial, technical, and corporate management. The municipality has adopted the following data management principles for this to-be state:

- Unified Dataset: Employ one aligned dataset configured to account for past transactions, report holistically on current status, and provide a robust platform for future planning, catering to all failure modes (condition, capacity, performance, and cost of operation), measuring risk exposure, and enabling integration across all departments.
- Appropriate Detail: Establish data at a level of detail that informs strategic and operational decisionmaking, facilitates effective updating, is manageable within the future AMIS architecture, and is costeffective, prioritized by value and criticality.
- *Fair Value Data:* Maintain fair value data for infrastructure, including Current Replacement Cost (CRC) and Depreciated Replacement Cost (DRC), alongside the Historic Cost Basis, to support effective planning, forecasting, benchmarking, and optimisation.
- *Robust Information Management:* Adopt documented procedures to keep data up-to-date and accurate, minimising the need for costly data re-establishment, and supporting decision-making aligned with municipal objectives.

• Integrated AMIS: Implement an integrated AMIS to provide financial, technical, and corporate management with relevant data, featuring system linkages for automated data transfer and alignment of referencing systems and technical models.

Until the AMIS is implemented, interim manual processes and limited technical data collection will be used, with the AMU ensuring data consistency within the constraints of the current systems environment.

#### 5.4 References

The following references were observed in the compilation of this policy:

- Asset Management Framework, National Treasury, 2004
- Guidelines for Infrastructure Asset Management in Local Government, Department of Provincial and Local Government, 2006
- Municipal Finance Management Act, 2003
- Disaster Management Act, 2002
- Municipal Systems Act, 2000
- Municipal Structures Act, 1998
- Accounting Standards Board
- MFMA Circular 18 & 44
- Local Government Capital Asset Management Guidelines, National Treasury, 2008
- Government Gazettes (30013 & 31021)
- Generally, Recognised Accounting Practice as issued by the Accounting Standards Board (1-14, 16, 17, 19, 21, 23-27, 31 and 100-104).
- Interpretations of the standards of GRAP issued by the Accounting Standards Board (ASB) (IGRAP 1-18);
- Municipal transfer and disposal regulations, Government Gazette no.31346.
- Government Gazette, 30 May 2005, No. 27636 on disposal.
- Directives issued by the Accounting Standards Board (ASB);
- Accounting guideline issued by National Treasury relating to intangible assets.
- National Treasury Standard Chart of Accounts Project Summary Report. 2013
- ISO 550000, ISO 550001, ISO 550002 (Requirements for Asset Management Systems)
- International Infrastructure Management Manual (IIMM) 2015
- Cities Infrastructure Delivery and Management System (CIDMS) Toolkit 2020

### 5.6 Related Policies

This policy needs to be read in conjunction with other relevant adopted policies of the entity, including the following:

- Delegation of Powers
- Supply chain management Policy
- Risk Management Policy
- Land sale Policy
- Budget Policy
- Maintenance Policy
- Land Disposal Policy
- Roads AM Policy

The policy is approved to be effective for the financial year ending 30 June 2024 and for subsequent financial years until a new policy is adopted.

# 6. Roles, Responsibilities and Delegations

The following are key roles and responsibilities relating to this policy:

#### 6.1 Council

The council is responsible for:

- Approve the Municipality's AM Policy as provided by the Municipal Manager.
- Note the Municipality's AM Procedures as approved by the Municipal Manager.
- Exercise oversight and effective stewardship over the Municipality's assets.
- Approve sector Asset Management Plans (AMPs) and Strategic AM Plans (SAMP)s.
- Approve funding and ensure appropriate resources are made available for approved AM activities; and integrate the AM Policy and the respective AM Plans into the corporate governance framework.

#### 6.2 Municipal Manager

As the Accounting Officer of the Municipality in terms of the Municipal Finance Management Act (MFMA), the Municipal Manager (MM) is the principal custodian of all the Municipality's fixed assets and accountable for ensuring that the AM Policy is diligently applied and adhered to. For the purposes of this Policy, the Accounting Officer has delegated the responsibilities placed on him to the Executive Managers of the respective departments as indicated in this Policy. The MM is also responsible for approving the AM Procedures and provides to Council for information and noting purposes.

#### 6.3 Physical Asset Management: Infrastructure Services

As per the Accounting Officer's delegation, the Executive Director: Infrastructure Services, shall be responsible for overseeing physical asset management functions for immovable assets. Currently, these functions are coordinated by the Asset Management Unit (AMU) within the Finance Department, in collaboration with Infrastructure Services managers, using manual processes due to the absence of a dedicated Physical Asset Management (PAM) role and a mature Asset Management Information System (AMIS).

In the future, SPM plans to establish a dedicated PAM role under the Executive Director: Infrastructure Services to lead physical asset management activities. This role will ensure the provision of dedicated resources through the AMU to support the overall asset management function. This role shall ensure that:

- Asset Management Monthly meetings with all sectors, chaired by the Asset Manager, are in place to drive, oversee, coordinate, and report on the implementation of this policy and the overall asset management function, with enhanced support from the future AMIS.
- An Immovable Asset Management Procedures Manual is adopted by the Senior Control Accountant (SCA) in consultation with the management of the Monthly meetings, setting out agreed processes, data models, roles, and responsibilities for the effective management of immovable assets in line with this Policy, updated to reflect the capabilities of the future AMIS.

The Executive Director may delegate or assign responsibility for specific elements of these functions, subject to written approval by the Municipal Manager (MM), but will remain accountable for ensuring these activities are successfully performed and effectively coordinated. Until the PAM role is established, the AMU and

Infrastructure Services managers will continue to manage physical asset management tasks on an interim basis.

### 6.4 Chief Financial Officer (CFO)

The CFO, as per the Accounting Officer's delegation, shall ensure that:

- The Municipality maintains the management, accounting and information system that accounts for the assets of the municipality.
- The Municipality's assets are valued in accordance with standards of generally recognised accounting practice.
- The Municipality has and maintains a system of internal control of assets, including a financial asset register.
- The financial asset register of the Municipality is accurate and up to date; and Assets are verified on an annual basis based on an indicator approach and in line with an agreed verification strategy and plan and a detailed outcomes report is submitted to Council within two months of the completed asset verification exercise each financial year.

### 6.5 Senior Management

In accordance with the delegation by the MM, Departmental Executive Managers as members of the Senior Leadership Team, shall, within their respective domains, be responsible to:

- Contribute to the periodic review of the AM Policy and AM Procedures Manual.
- Actively participate in the Monthly Sectorial Asset Management meetings to oversee the application of this Policy.
- Monitor the performance of management staff implementing and maintaining infrastructure asset management.
- Actively participate in the preparation of the respective sector AM Plan prepared by the Asset Management Unit.
- Ensure that community and key stakeholders' inputs are addressed in the respective sector AM Plans.
- Ensure that accurate, up to date and reliable information is available and presented to the Senior Leadership Team and Council to inform decision-making.
- Establish and implement appropriate systems of management and control of all assets.
- Ensure that the Municipality's resources assigned to departments are utilised effectively, efficiently, economically and transparency.
- Ensure that proper accounting processes and procedures are implemented in conformity with the Municipality's financial policies and the MFMA to produce reliable data for inclusion in the Municipality's asset register.
- Prevent any unauthorised, irregular, fruitless or wasteful utilisation and/ or losses resulting from criminal or negligent conduct.
- Ensure that the asset management systems, processes and controls provide an accurate, reliable and up-to-date account of assets under their control and in line with agreed procedures.
- Plan and manage the life cycle of assets and budgets to optimally achieve the Municipality's strategic objectives.
- Manage asset life-cycle transactions to ensure that they comply with the policies and plans adopted by the Municipality and legislative requirements; and
- In complying with the above, cooperate and liaise with the Immovable Asset Management Unit.

#### 6.6 Asset Management Office

The Municipality has established an Asset Management Unit (AMU) within the Finance Department. Currently, the AMU primarily manages the Financial Asset Register (FAR) using the SOLAR financial system and coordinates limited physical asset management activities in collaboration with Infrastructure Services managers. Due to the absence of a mature Asset Management Information System (AMIS) and a dedicated Physical Asset Management (PAM) role, the AMU relies on manual processes and ad-hoc data collection to support asset-intensive departments.

In the future, with the implementation of a mature AMIS and the establishment of a PAM role under the Infrastructure Services Department, the AMU's role will evolve to provide a cross-cutting function, supporting all stages of the asset lifecycle in coordination with the PAM. The Asset Management Manager heads the AMU and is responsible, in consultation with the Monthly Sectorial Asset Management meetings, for the following activities each financial year with respect to immovable assets:

- Updating the Municipality's Immovable and Movable Asset Register, leveraging AMIS capabilities for automated data integration.
- Updating the Municipality's Assets under Construction Register, aligned with AMIS workflows.
- Maintaining the Municipality's Asset Management System (AMS), transitioning from manual processes to AMIS-driven processes.
- Verifying and assessing asset conditions as per the Policy and Procedures Manual, supported by AMIS data.
- Reviewing the Integrated AM Framework to identify improvement needs, informed by AMIS analytics.
- Assessing the adequacy of resources and competencies required to implement the AM Framework, recommending action plans, and oversee implementation.
- Reviewing and recommending updates to the AM Policy and Procedures Manual, aligning with AMIS capabilities, and implementing upon approval.
- Conducting infrastructure AM practice assessments and developing a rolling 3-year Improvement Plan, indicating resource requirements and priorities.
- Preparing annual Asset Management Plans (AMPs) and Strategic Asset Management Plan (SAMP) with a minimum 10-year planning horizon, in consultation with the PAM and relevant departments, using AMIS data.
- Reviewing maintenance and renewal strategies for critical assets, in coordination with the PAM.
- Coordinating with Service Departments to ensure the Integrated Development Plan (IDP) process is informed by approved AMPs and SAMP.
- Ensuring data accuracy and updating spatial and alpha-numeric data in the AMIS, in coordination with the PAM.
- Managing the performance of departments in providing data to update AM-related information systems, per the Procedures Manual and IT protocols.
- Preparing infrastructure-related asset data for upload to the AMIS with required documentation, in consultation with the PAM and implementation sections, per CFO requirements.
- Preparing monthly reports on asset and AM performance, leveraging AMIS analytics.
- Reviewing and updating asset and AM Framework risk exposure monthly, aligned with the Municipality's risk models, recommending mitigation actions, and monitoring implementation.
- Convening and administering Monthly Sectorial Asset Management meetings.
- Preparing monthly reports, in consultation with other departments, on the implementation of approved AMPs, SAMP, and Procedures Manual.
- Assessing AM capability across the organization, identifying improvement needs, and monitoring implementation in consultation with departments.
- Championing effective AM understanding, collaboration, and practice improvement across the Municipality.
- Annually reviewing change needs, recommending change methodologies, preparing change plans for the AM Change Program, and managing implementation.

• Identifying the need for external support, recommending approaches, and managing appointed service providers.

Until the AMIS and PAM role are implemented, the AMU will perform these responsibilities to the extent possible within the current systems environment, relying on manual processes and coordination with Infrastructure Services managers. The Asset Management Manager shall submit documentation on the status of these activities, and associated recommendations, to Monthly Sectorial Asset Management meetings for review and feedback.

# 7. Asset Classification

#### <u>General</u>

When accounting for assets, the municipality applies various standards of GRAP relating to the assets. An item is recognised in the statement of financial position as an asset if it satisfies the definition and the criteria for recognition of assets. The first step in the recognition process is to establish whether the item meets the definition of an asset. Secondly, the nature of the asset should be determined, and thereafter the recognition criterion is applied. Assets are classified into the following categories for financial reporting purposes:

- a. Property, Plant and Equipment (GRAP 17)
  - Land and Buildings (land and buildings not held as investment)
  - Infrastructure Assets (immovable assets that are used to provide basic services)
  - Housing Assets (rental stock or housing stock not held for capital gain)
  - Other Assets (ordinary operational resources)
- b. Intangible Assets (GRAP 31)
  - Intangible Assets (assets without physical substance held for ordinary operational resources)
- c. Heritage Assets (GRAP 103)
  - Heritage Assets (culturally significant resources)
- d. Investment Property (GRAP 16)
  - Investment Assets (resources held for capital or operational gain)
- e. Non-Current Assets Held for Sale (GRAP 100)
  - Assets Held-for-Sale (assets identified to be sold in the next 12 months and **that is not** reclassified as Inventory)
- f. Land Inventories (GRAP 12)
  - Land Inventories (land or buildings owned or acquired with the intention of selling such property in the ordinary course of business)
- g. Biological assets (GRAP 27)
  - A biological asset is a living animal or plant.

Further asset classification has been defined in GRAP. The classifications used for infrastructure are limited and do not represent all asset types. However, these classifications are used for financial reporting consistency and should be used.

To facilitate the practical management of infrastructure assets and Asset Register data, infrastructure assets have been further classified in with the CIDMS hierarchy.

#### 7.1 Asset Hierarchy

The Municipality has adopted an asset hierarchy for assets that enables separate accounting of parts (or "components") of the asset that are considered significant in terms of replacement value, critical to service operations, and aligned with the strategy adopted by the Municipality for asset renewal (and, in the case of immovable assets, are documented as component life-cycle strategies in the AM Procedures Manual). In addition, the Municipality has grouped relatively low value and criticality items that have similar life, and

would typically be replaced at the same time, to be considered as one component in the hierarchy. The structure of the hierarchy for the assets recognises the functional relationship of the respective assets and components and is indicated in the annexures to this Policy.

#### 7.2 Heritage Assets

When heritage assets have more than a single purpose, for example a historical building where in meeting the definition of a heritage asset, portion of the building is used for the purpose of office accommodation. The Municipality will use its judgement to assess whether the asset is accounted for as a heritage asset if, and only if, the definition of a heritage asset is met, and only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. If a significant portion is used for production, administrative purposes or supply of services or goods, the asset is accounted for in accordance with the Standard of GRAP on PPE.

### 7.3 Non-Current Assets Held for Sale (GRAP 100)

A non-current asset shall be classified as Asset Held for sale if it is carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sales must be highly probable.

# 8. Asset Identification

The Municipality applies an asset identification system to uniquely identify each asset in the municipality in order to ensure that each asset can be accounted for on an individual basis. Movable assets are usually identified using a barcode system by attaching a barcode to each item. In practice, every individual asset shall have a unique identification number. Immovable assets are generally identified by means of an accurate description of their Facility name.

# 9. Asset Register

The Municipality's Asset Register is in an electronic system. The Financial Asset Register (FAR) provides data required by the Municipality to effectively apply the applicable accounting standards and is linked to a physical ('Technical'') asset register (TAR) as part of the future AMIS environment to support its Immovable Asset Management practice. The Financial Asset Register is updated and reconciled to the general ledger monthly. The Financial and Technical Asset Registers are configured to inform each other.

The Financial Asset Register shall reflect, as a minimum, for each of the assets all the fields contained in the MFMA-Local Government Capital Asset Management Guideline section 5.1.1. as per Annexure C.

The Technical Asset Register shall reflect the following information, as a minimum, for each of the assets:

- a link to the respective items and data in the FAR
- spatial representation (point, line of polygon, as applicable to the asset type)
- the Current Replacement Cost
- the Depreciated Replacement Cost
- the failure mode status (condition, utilisation, performance, cost of operation)
- the criticality
- the expected useful life and remaining useful life (in line with the FAR)
- maintenance budget needs
- maintenance budget allocated

#### 9.1 Updating the Financial Asset Register

All Executive Managers who control any fixed asset falls shall promptly provide the CFO in writing with any relevant information when so required to compile the fixed asset register and shall promptly advise the CFO in writing of any material change that may occur in respect of such information.

A fixed asset shall be capitalised, that is recorded in the financial asset register, as soon as it is acquired. If the asset is constructed over a period, it shall be recorded as work-in-progress until it is available for use, where after it shall be appropriately unbundled and capitalised as a fixed asset.

For the purpose of determining when an asset is "available for use," management considers an asset to be available upon final completion, when full control of the site is formally handed back to the municipality by the contractor. This point of final completion occurs after all contractual obligations, including the rectification of any outstanding defects, have been fulfilled, and the asset is fully operational and ready for its intended use in delivering municipal services. This approach ensures that the asset is only capitalised when it aligns with management's intention to utilise it for its designated purpose, in compliance with GRAP 17 (Property, Plant, and Equipment) and the principles of lifecycle asset management outlined in CIDMS.

A fixed asset shall remain in the financial 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.

Manager AFS, Assets and Reporting shall ensure that reconciliations are performed on a monthly basis between the general ledger values and the asset values.

The Manager AFS, Assets and Reporting shall allocate depreciation rates and methods to each asset class and component type, as prescribed by the municipality's accounting policy, which is derived from this AM Policy and compliant with GRAP.

The manager shall ensure that depreciation calculations are accurately applied and correctly posted in the general ledger, in accordance with the approved useful lives and depreciation methods established in the accounting policy.

### 9.2 Updating the Technical Asset Register

**Executive Managers** that are responsible for immovable assets shall update data in the Technical Asset Register (TAR) in accordance with the AM Procedures Manual approved by the CM. Relevant data from the TAR shall inform the updating of the Financial Asset Register.

The Asset Management Manager must ensure that the Technical Asset Register and the Work-in Progress Register are updated in accordance with the relevant data and that all asset records are deemed compliant.

The Manager Asset Management must ensure that the Technical Asset Register, through its systems approval process replicates Assets data records to the financial system, i.e. the Financial Asset Register.

The Manager Asset Management must ensure that a Full reconciliation is done between the Technical Asset Register to the Financial Asset Register and such reconciliation is signed off by the Executive Manager IS.

The TAR is seen as a future management tool in the implementation of the future AMIS environment.

# 10. Capitalisation and Measurement Criteria

### 10.1 Acquisitions

All assets are acquired in terms of the Municipality's Supply Chain Management Policy and in terms of the budgetary provisions. The responsibility for the purchase of assets is delegated in terms of Council's Delegation Framework and Supply Chain Management Policy. Depending on the cost and lifespan of the asset to be purchased, the following refers to the procedure for purchasing an asset:

Funds can only be spent on a capital project if:

- The capital and related operating expenses have been identified and recorded in the Municipality's Integrated Development Plan.
- Evidence of planning is evident; and
- It is confirmed that funding is available for that specific project (and not simply a budget appropriation). The purpose for which the asset is required is in keeping with the objectives of the municipality and will provide significant, direct and tangible benefit to it.
- The capital and related operating expenses have been appropriated in the Municipality's MTREF;
- The asset fits the definition of an asset (as defined in GRAP 16, GRAP 17, GRAP 27, GRAP 31 and GRAP 103)
- The future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget.
- The purchase is necessary as there is no alternative municipal asset that could be economically upgraded or adapted.
- The asset is appropriate to the task or requirement and is cost-effective over the life of the asset.
- The asset is compatible with existing equipment and will not result in unwarranted additional expenditure on other assets or resources.
- Space and other necessary facilities to accommodate the asset are in place; and
- Acquisition of assets must be in accordance with the Procedures Manual, Section 6.

Once delivered the asset must be labelled/bar-coded by the Financial Services Department before such an asset is put into use.

#### 10.2 Reinstatement, Maintenance and Other Expenses

Only expenses incurred in the enhancement of an asset (in the form of improved or increased services or benefits flowing from the use of such assets) or in the material extension of the useful operating life of an asset is capitalised.

Expenses incurred in the maintenance or reinstatement of an asset are 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.

Expenses, that are reasonably ancillary to the bringing into operation of an asset, may be capitalised as part of such asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, installation, assembly and communication costs.

### 10.3 Property, Plant and Equipment

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost.

The cost of an item of property, plant and equipment shall be recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality and the cost of the item can be measured reliably.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted on arriving at the cost.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Items such as spare parts, standby equipment and service equipment are recognised when they meet the definition of property, plant and equipment. If the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management. Costs incurred in using or redeploying an item are not included in the carrying amount of that item.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the Municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Where an asset is acquired through a non-exchange transaction, its cost shall be measured at fair value as at the date of acquisition.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an item of Property, Plant and Equipment is capitalised when it meets the definition and recognition criteria of an asset.

Where the Municipality has an obligation to dismantle, remove and restore items of property, plant and equipment and the initial estimate was initially included in the cost of an item of property, plant and equipment, any changes in the liability are added to or deducted from, the cost of the related asset in the current period. If there is a decrease in the liability and it exceeds the carrying amount of the asset, the excess is recognised immediately in the statement of financial performance.

The cost of a statutory inspection that is required for the entity to continue to operate immovable PPE is recognised at the time the cost is incurred, and any previous statutory inspection cost is derecognised. The period for the next inspection is the expected life.

If there is a change in a provision for which the asset relates, and the change results in addition to the cost of an asset, the Municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the related asset is tested for impairment by estimating its recoverable amount or recoverable service amount and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets or non-cash generating assets.

If the related asset has reached the end of its useful life, any subsequent changes in the liability will be recognised in the statement of financial performance.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation charge for each period shall be recognised in the statement of financial performance unless it is included in the carrying amount of another asset.

The residual value, the useful life of an asset and the depreciation method are reviewed annually, and any changes are recognised as a change in accounting estimate in accordance with the Standard of GRAP on accounting policies, changes in accounting estimates and errors and in accordance with the Municipality's Immovable Procedures Manual. Reviewing the useful life of an asset on an annual basis does not require the Municipality to amend the previous estimate unless expectations differ from the previous estimate.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

Gains or losses arising from the retirement or disposal of investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Financial Performance.  $\$ 

#### <u>Rules</u>

1. Where respective unbundling documentation for a constructed or renewed asset is not available, the Capitalisation Certification in accordance with the Immovable Asset Management Procedures Manual must be signed off by the respective Executive Manager and submitted to the Asset Management office.

#### 10.4 Investment Property

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when it is probable that future economic benefits or service potential that are associated with the investment property will flow to the Municipality and the cost or fair value of the investment property can be measured reliably.

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self-constructed investment property is the cost at date of completion.

Investment property is subsequently measured using the cost model. Under the cost model, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

Transfers to or from, investment property shall be made when there is a change in use evidenced by commencement or ending of owner occupation, commencement of operating lease to another party and development with a view to sale.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when compensation becomes receivable.

An investment property is derecognised on disposal including disposal through non-exchange transactions or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance.

#### Rules:

- The Asset Management Office must review annually the Municipalities Investment Property in consultation with the user department Strategy, Economic Development and Planning Services Section – Township Development to ensure a true reflection of Assets held for Investment purposes reflected in the Asset Register.
- 2. The Asset Management Office must receive a signoff annually from the relevant Executive Manager, department Strategy, Economic Development and Planning Services on such an alignment.

#### 10.5 Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licenses, and development costs. The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised.

Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the Municipality intends to complete the intangible asset for use or sale.
- it is technically feasible to complete the intangible asset.
- the Municipality has the resources to complete the project; and
- it is probable that the Municipality will receive future economic benefits or service potential.
- the expenditure attributable to the intangible asset during its development can be reliably measured by the Municipality.

Intangible assets are initially recognised at cost. Where an intangible asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test, and the useful life is reviewed at each reporting date. If the useful life has changed from indefinite and definite, it is treated as a change in accounting estimate in Statement of Financial Performance.

Amortisation is charged to write off the cost of intangible assets over their estimated useful lives using the straight-line method.

Each item of intangible asset is amortised separately. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised prospectively as a change in accounting estimate in the Statement of Financial Performance.

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising from the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

#### Rules:

1. It is the responsibility of the CFO to ensure that all licensed computer software other than operating software is accounted for.

#### 10.6 Heritage Assets

A heritage asset is recognised as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality and the cost or fair value can be measured reliably.

If the Municipality holds an asset that might be regarded as a heritage asset but on initial recognition, it does not meet the recognition criteria of a heritage asset because it cannot be reliably measured, relevant and useful information about the asset shall be disclosed in the notes to the financial statements.

The Municipality uses judgement to assess the degree of certainty attached to the flow of future economic benefits or service potential that are attributable to the heritage asset based on the evidence available at the time of initial recognition.

An asset that has met the recognition requirement criteria for heritage assets shall be measured at its cost if such an asset has been acquired through an exchange transaction.

Where a heritage asset has been acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Costs incurred to enhance or restore the heritage asset to preserve its indefinite useful life is capitalised as part of its cost.

The cost of the heritage asset is the cash price equivalent to the recognition date. If the payment is deferred beyond normal credit terms, the difference between the cash price equivalent and the total payment is recognised as interest over the period of credit, unless such interest is recognised in the carrying amount of the heritage asset in accordance with the standard of GRAP on Borrowing costs.

Heritage assets are subsequently measured using the cost model which is cost less accumulated impairment losses after initial recognition. Heritage assets are not depreciated due to their nature, however the Municipality assesses at each reporting date whether there are indications of impairment and, if any, impairment exists, the Municipality estimates the recoverable amount or recoverable service amount of the heritage asset.

Transfers from heritage assets are made when a particular asset no longer meets the definition of a heritage asset and transfers to heritage assets are made when the asset meets the definition of a heritage asset.

The heritage asset is derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the de-recognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in the Statement of Financial Performance when the heritage asset is derecognised.

### 10.7 Donated Assets

Where an asset is donated to the Municipality, or an asset is acquired by means of an exchange of assets between the municipality and one or more other parties, the asset concerned is recorded in the asset register at its fair value.

#### 10.8 Assets under Construction (WIP)

If the asset is constructed over a period, it is recorded in the Assets under Construction Register (WIP) until it is available for use, where after it shall be appropriately unbundled and capitalised as a non-current asset.

The Municipality through the Asset Management Unit reviews and updates its WIP register periodically to ensure that completed assets are removed. The Unit also updates the WIP register whereby it reviews the Municipality's Capital budget to identify assets constructed or renewed.

#### <u>Rules</u>

The Manager Asset Management must receive sectorial signoff of infrastructure projects that will remain in WIP for the financial year.

# 11. Subsequent Measurement

### 11.1 Cost Model

Municipality has elected to apply the cost model; therefore, PPE and Investment Property assets are carried after recognition, at cost, less any accumulated depreciation and any accumulated impairment losses. Heritage assets are carried at cost less than any accumulated impairment losses. Statutory inspections shall be carried out at the cost of the inspection less accumulated depreciation.

### 11.2 Expenses to be Capitalised

Expenses incurred in the enhancement of immovable PPE (in the form of improved or increased services or benefits flowing from the use of such assets), or in the material extension of the useful operating life of immovable PPE are capitalised. Such expenses are recognised once the entity has beneficial use of the asset (be it new, upgraded, and/or renewed) - prior to this, the expenses are recorded as work-in-progress. Expenses incurred in the maintenance or repair (reinstatement) of immovable PPE that ensure that the useful operating life of the asset is attained are considered as operating expenses and are not capitalised, irrespective of the quantum of the expenses concerned.

#### 11.3 Capital Spares

The location of capital spares shall be amended once they are placed in service, or moved, to another place of service, and re-classified to the applicable immovable PPE asset sub-category.

# 12. Depreciation

Depreciation is the systematic allocation of the depreciable amount of an asset over its remaining useful life. The amortisation of intangible assets is identical. Land is considered to have an unlimited life; therefore, it is not depreciated. Heritage assets are also not depreciated.

### 12.1 Depreciation Method

Depreciation of assets is applied at the component level. The depreciation method is selected to model the consumption of service potential or economic benefit (The default treatment for depreciable assets in service is the straight-line method).

### 12.2 Remaining Useful Life

The remaining useful life of a depreciable asset is the time remaining until an asset ceases to provide the required standard of performance or economic usefulness. The remaining useful life of all depreciable assets at initial recognition is the same as the Expected Useful Life indicated in the annexures to this policy. These figures have been established using available information on industry norms, experience of local influencing factors (such as climate, geotechnical conditions, and operating conditions), the life-cycle strategy of the Municipality, potential technical obsolescence, and any legal limits on the use of the assets.

### 12.3 Annual Review of Remaining Useful Life

The remaining useful lives of depreciable assets are reviewed every year at the reporting date. The indefinite useful life of intangible assets is also reviewed at each reporting date. Changes may be required because of new, updated or more reliable information being available. Changes may also be required because of impairments. Depreciation charges in the current and future reporting periods are adjusted accordingly and are accounted for as a change in an accounting estimate.

#### 12.4 Depreciation Charge

Depreciation starts once an asset is available for use, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management and ceases when it is de-recognised. Depreciation is initially calculated from the day when an asset is acquired or - in the case of construction works and plant and machinery - the day on which the asset is available for use. Depreciation charges are calculated monthly.

#### 12.5 Capital Spares

The depreciation of capital spares commences immediately once the asset is available and, in the location and condition, necessary for it to be capable of operating in the manner intended by management. The depreciation continues once they are placed in service or subsequently removed from service. When held in stores, capital spares are not depreciated.

#### 12.6 Major Inspections

Major inspections are capitalised as part of the asset's cost price.

#### 12.7 Finance Lease

Depreciable assets financed through a finance lease give rise to a depreciation expense and finance cost for each accounting period. The depreciation policy for depreciable leased assets shall be consistent with the policy of depreciable owned assets, and the depreciation recognised shall be calculated in accordance with the Standard on PPE GRAP 17. If there is no reasonable certainty that the Municipality will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term, the asset will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term, the asset will be fully depreciated over the asset term, the asset will be fully depreciated over the asset term.

### 13. Impairments

### 13.1 Indications of Impairment

The Municipality reviews its assets for impairment when one of the indicators below occurs and at least at the end of each reporting period. In assessing whether there is any indication that an asset may be impaired, the Municipality considers, as a minimum, the following indicators:

- a) External sources of information:
  - decline or cessation in demand.
  - changes in the technological, legal or government policy environment.
  - the carrying amount of the net assets of the entity is more than its market capitalisation; Market interest rates have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
  - a halt in construction could indicate impairment. Where construction is delayed or postponed to a specific date in the future, the project may be treated as work in progress and not considered as halted.
  - b) Internal sources of information:
    - evidence of physical damage
    - evidence of obsolescence
    - significant changes with and adverse effect on the entity have taken place during the period, or are
      expected to take place in the near future, in the extent to which, or a manner in which, an asset is
      used or is expected to be used, including an asset becoming idle, plans to dispose of an asset before
      the previously expected date, and reassessing the useful life of an asset as finite rather than
      indefinite;
    - cash flow for acquiring an asset or maintenance cost thereafter is higher than originally budgeted.
    - the actual net cash flow or operating profit or loss flowing from an asset are significantly worse than those budgeted.
    - a significant decline in budgeted net cash flow or operating profit, or a significant increase in the budget loss, flowing from the asset; or
    - Operating losses or net cash outflows for the assets, when the current period's amounts are aggregated with budgeted amounts for the future.
  - C) Other indications, such as loss of market value.

#### 13.2 Impairment Reviews

The impairment review procedures are conducted in accordance with the Asset Management Procedures Manuals, Section 6 and 7.

### 13.3 Impairment of Projects under Construction

In assessing whether a halt in construction would trigger an impairment test, the Municipality through the Asset Management Unit considers whether construction has simply been delayed or postponed, whether there is an intention to resume construction soon or whether the construction work will not be completed in the foreseeable future. Where construction is delayed or postponed to a specific future date, the project may be treated as work in progress and is not considered as halted.

#### Rule:

The Manager Asset Management at each reporting date must receive signed off Asset Impairment Questionnaire from respective sectorial departments

#### 13.4 Intangible Assets

The Municipality shall test all intangible assets associated with assets in use which have an indefinite useful life for impairment. This impairment test may be performed at any time during the reporting period provided it is performed at the same time every year.

#### 13.5 Significant and Enduring Nature

The Municipality must only record impairments that are significant and have an enduring adverse effect (material and long-term impact). The events and circumstances in each instance must be recorded. Where there are indications of impairment, the entity must estimate the recoverable service amount of the asset and consider adjustment of the remaining useful life, residual value, and method of depreciation.

#### 13.6 Impairment Loss

An impairment loss of a non-cash-generating unit or asset is defined as the amount by which the carrying amount of an asset exceeds its recoverable service amount. The recoverable service amount is the higher of the fair value, less costs to sell and its value in use.

An impairment loss of a cash-generating unit (smallest group of assets that generate cash inflows) or asset is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value, less costs to sell and its value in use.

#### 13.7 Non-Cash Generating Units

Non-cash-generating units are those assets (or group of assets) that are not held with the objective of generating a commercial return. This would apply to assets providing goods or services for community or social benefit. The recoverable amount is the higher of the assets' fair value, less cost to sell and its value in use. If there are no binding sales agreement or active market for an asset, the fair value less cost to sell is based on the best information available to reflect the amount that the Municipality could obtain. However, sometimes it will not be possible to determine the fair value less cost to sell because there is no basis for making reliable estimates of the amount obtainable. For non-cash generating assets that are held on an ongoing basis to provide specialised services or public goods to the community, the value in use of the assets is considered likely to be greater than the fair value less cost to sell. In such cases the Municipality may use the asset's value in use as its recoverable service amount. The value in use of a non-cash generating unit/asset is the present value of the asset's remaining service potential.

This can be determined using any of the following approaches:

- the Depreciated Replacement Cost (DRC) approach (and where the asset has enduring and material over-capacity, for example in cases where there has been a decline in demand, the Optimised Depreciated Replacement Cost (ODRC) approach may be used).
- the restoration cost approach (the Depreciated Replacement Cost less cost of restoration)usually used in cases where there has been physical damage; or
- the service units' approach (which could be used where a production unit's model of depreciation is used).

Where the present value of an asset's remaining service potential (determined as indicated above) exceeds the carrying value, the asset is not impaired - this will normally be the case unless there has been a significant and enduring event as indicated above.

### 13.8 Cash Generating Units

Cash-generating units are those assets held by the Municipality with the objective of generating a commercial return. An asset is considered to generate a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity. Holding an asset to generate a "commercial return" indicates that the Municipality intends to generate positive cash inflows from the asset (or from part of the cash-generating unit of which the asset is a part) and earn a commercial return that reflects the risk involved in holding the asset. Since the Municipality has adopted the cost model, fair value is determined in accordance with the rules indicated for measurement after recognition. Costs to sell are the costs directly attributable to the disposal of the assets (for example agents fees, legal costs), excluding finance costs and income tax expenses. The value in use is determined by estimating the future cash inflows and outflows from the continuing use of the asset and net cash flows to be received or (paid) for the disposal of the assets at the end of its useful life, including factors to reflect risk in the respective cash-flows and the time value of money.

#### 13.9 Judgement

The extent to which an asset is held with the objective of providing a commercial return needs to be considered to determine whether the asset is a cash generating or non-cash generating asset. An asset may be held with the objective of generating a commercial return even though it does not meet that objective during a particular reporting period. Conversely, an asset may be a non-cash-generating asset even though it may be breaking even or generating a commercial return during a particular reporting period. In some cases, it may not be clear whether the objective of holding an asset is to generate a commercial return. In such cases it is necessary for the Municipality to evaluate the significance of the cash flows, and, where necessary, apply judgment.

#### 13.10 Recognition of Impairment

The impairment loss is recognised as an expense when incurred (unless the asset is carried at a re-valued amount, in which case the impairment is carried as a decrease in the Revaluation Reserve, to the extent that such reserve exists). After the recognition of an impairment loss, the depreciation charge for the asset is adjusted for future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

When no future economic benefit is likely to flow from an asset, it is derecognised and the carrying amount of the asset at the time of de-recognition, less any economic benefit from the de-recognition of the asset, is debited to the Statement of Financial Performance as a "Loss on Disposal of Asset".

In the event of compensation received for damages to an item of asset, the compensation is considered as the asset's ability to generate income and is disclosed under Sundry Revenue; and the asset is impaired/ derecognised.

#### 13.11 Reversing an Impairment Loss

The Municipality shall assess each year the sources of information indicated above to identify whether there is any indication that an impairment loss recognised in previous years may no longer exist or may have decreased. In such cases, the carrying amount is increased to its recoverable amount (providing that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods). Any reversal of an impairment loss is recognised as a credit in surplus or deficit.

# 14. Asset Disposal

#### 14.1 De-Recognition

Assets are derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal. In line with regulations regarding de-recognitions and disposal of assets in municipalities set out in Government Gazette No 31346, assets are either:

- "scrapped" (such as is often the case during regular capital renewal of asset for example on replacement of pipes or pumps at the end of their useful life).
- "disposed" when there is scope for financial proceeds, or, the opposite, where there is a need to incur costs to make safe, or otherwise de-commission or demolish an asset, and /or environmentally rehabilitate an asset; or
- "transferred" to another entity without compensation (for example in terms of changes in legislation relating to custodianship over public assets).

The carrying amount of the asset and the net disposal proceeds (or cost of de- commissioning and/or disposal of the asset) are included in the surpluses or (deficits) for the year when the item is derecognised.

### 14.2 Transfer and Writing off Assets

In terms of Section 14 (4) of the MFMA, all Executive Managers of Departments and delegated managers shall recommend all asset movements for council approval which relate to:

- Writing-off of assets no longer provides a basic level of municipal services.
- Transferring of assets.
- Reporting losses of assets to Council.

### 15. Insurance of Assets

Section 63(a) of the MFMA has been delegated by the Accounting Officer to the Chief Financial Officer. The administration of the insurance cover for the assets is done by the Office of the Chief Financial Officer.

### 16. Safekeeping of Assets and Internal Control

The Municipality applies controls and safeguards to ensure that assets are protected against improper use, loss, theft, malicious damage or accidental damage. The existence of assets is physically verified from time-to-time, and measures are adopted and reviewed annually to exercise control on their use. Budgetary constraints may, however, constrain the measures adopted. The Municipality allocates duties relating to such control and safekeeping to asset custodians, and record such in the asset register.

#### Rules:

On employee exit, missing assets must be recouped from the asset custodian as per the assets Carrying value. Financial services must provide HR Administration with the details to ensure financial recovery of missing assets.

# 17. Life-cycle Management of Immovable assets

The Municipality shall ensure that it manages the full lifecycle of its portfolio of immovable assets from planning, creation, operations and maintenance, capital renewal and disposal in line with legislative requirements, recognised industry practice and in support of its strategic objectives.

#### 17.1 Service Delivery

Immovable **PPE** assets (such as infrastructure) are how the entity delivers a range of essential services. Consequently, the Municipality recognises that effective management of such assets is critical to meeting the strategic objectives of the entity and in measuring its performance.

#### 17.2 Asset management objective

The Municipality's objective is to achieve the targeted level and standards of service, in a cost-effective manner, through the management of its infrastructure assets, for present and future customers. In pursuing

this objective, the Municipality has adopted core principles of recognised good practice in Asset Management as follows:

- taking a life cycle approach.
- developing cost-effective management strategies for the long term.
- providing a defined level of service and monitoring performance.
- understanding and meeting the impact of growth through demand management and infrastructure investment.
- managing risks associated with asset failures.
- sustainable use of physical resources; and
- continuous improvement in the immovable **PPE** Asset Management practices.

### 17.3 Immovable Asset Management Procedure Manual

The Executive Manager: Infrastructure Services in conjunction with the Chief Financial Officer must maintain its Asset Management Procedures Manual that sets out an annual schedule of required associated processes, roles and responsibilities, format for the asset management plans, data models, and forms to be used.

The data models include:

- A schedule of adopted component types
- The expected useful life and residual value of all components
- Standardised failure modes, and their application at different levels of detail
- Standardised criticality grading scales
- The risk matrix applicable to infrastructure management
- Component lifecycle strategies

Forms include:

- Capitalisation of assets
- Land transfer
- Asset de-recognition
- Change in data
- Impairment candidate
- Reversal of impairment

#### 17.4 Asset Management Plans

The Municipality must establish and adopt key elements of its asset management framework the following:

- Asset Management Plans per sector that report on the status of service provision, identify all infrastructure lifecycle needs (now and in the future), assess affordability and priorities, and recommend tactical response plans; and
- Strategic Asset Management Plans that integrate the various sector AM Plans and report strategic scenarios to inform the IDP process in the short and medium term, and, in turn, the setting of the associated budgets and performance plans, and also inform long term strategies (that is particularly important in the context of long-life assets such as infrastructure).

Sectoral departments must identify asset creation / acquisitions during the budget process that are considered high risk in terms of social; economic and environmental impacts and consequently are deemed to require the preparation of a business case.

Before these identified fixed assets are acquired, the respective department requiring the asset must adequately demonstrate:

- That the asset is identifiable in the integrated development plan and the respective multiyear budgets.
- That there is a clear, social/economic/environmental, business case, motivating the asset acquisition.
- That all projected capital and operational costs have been identified over all financial years that such assets will influence municipal service delivery.
- That future income and tariff implications have been identified.
- That the physical and financial stewardship of that asset through all stages in its life including acquisition, installation, maintenance, operations, disposal and rehabilitation are considered; and
- Alternatives to this asset purchase.

# 19. Purchase or Hire of Immovable Assets

The Municipality may acquire by purchase, or by hire, immovable property within or outside the municipal boundary provided it complies with the requirements of the MFMA and the Supply Chain Management Policy and subject to the following:

- a. The cost of the purchase or hire had been budgeted for.
- b. The intention to buy or hire the immovable property had been advertised for public comment.
- c. After consideration of any public comments/objections, the Council will:
- b. In the case of the following paragraph complies with the requirements of that paragraph; and
- c. In the case of all other immovable properties, finally resolve to continue with the purchase or hire and apply the supply chain management processes.
- a. The Council will not continue with the purchase or hire of any immovable property where:
  - The price is in excess of the market value thereof as assessed by an appraiser; or
    - The rental which, when calculated per annum in the case of:
      - i) Immovable property hired for agricultural purposes, exceeds six percent; and
      - ii) Immovable property hired for any other purpose exceeds twelve percent of the market value of the property, as assessed by an appraiser.

The Council may accept a gift or conveyance of immovable property either for the Municipality or in Trust for charitable or other public purposes not connected with public worship and hold the same in such Trust or for such purpose as may be declared by such donors and may administer, utilise and improve such property.

The Trustees of any immovable property held in Trust for any township, village or settlement which has become a Municipality or part of a Municipality may transfer such property to the Council, subject to any special Trusts in their deeds of title and upon conditions not at variance therewith.

### 20. Maintenance

#### 20.1 Maintenance Plans

The Executive Managers responsible for the respective immovable asset portfolios, in collaboration with the Asset Management Unit (AMU), must prepare a Maintenance Plan for immovable assets under their control, covering a 3-year implementation period. These plans shall be reviewed annually to ensure relevance, practicality, and alignment with the municipality's strategic objectives, indicating the nature of maintenance work and estimated planned maintenance costs. Currently, due to the absence of a mature Asset Management Information System (AMIS), maintenance plans will be developed using manual processes and available data, coordinated by the AMU and Infrastructure Services managers. In the future, with the implementation of an AMIS and the establishment of a dedicated Physical Asset Management (PAM) role under the Infrastructure Services Department, maintenance plans will leverage AMIS data to enhance accuracy, prioritize critical assets, and integrate with lifecycle strategies outlined in the Asset Management Plans (AMPs).

#### 20.2 Deferred Maintenance

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.

### 21. Replacement Strategy

The Municipality has adopted standardised lifecycle strategies for each component type as indicated in the annexures to this policy. This includes the expected useful lives, maintenance activities normally required to achieve such life, and the expected replacement or renewal treatment. Such is documented in the AM Procedures Manual.

# 22. Policy Implementation

The detailed procedures manuals are prepared for movable and immovable assets in the Municipality.

# ANNEXURE A-Expected Useful life and Residual Value of Infrastructure Assets

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
Airports	Buildings	Air conditioning	0	8
		Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Fire protection	0	20
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Security system	0	5
		Walls	0	60
	Drainage	Channel	0	20
		Kerb	0	50
		Kerb inlet	0	20
	Earthworks	Earthworks	0	100
	External facilities	Carport	0	7
		External lighting	0	30
		Landscaping	0	50
		Paving	0	40
		Perimeter protection	0	30
		Small building / enclosure	0	50
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Service connections on site	Electrical service connection	0	50
		Pipe - sewer	0	100
		Pipe - water	0	80
Attenuation	Civil structures	Gabions	0	80
Borehole	Borehole	Borehole - Complete Installation	0	30
Bulk mains	Pipe work	Hydrant	0	20
		Pipe - water	0	80
		Water meter	0	10

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALLIE	EUL
			(% CRC)	
Cemeteries /	Buildings	Air conditioning	0	8
Crematoria		Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Fire protection	0	20
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Security system	0	5
		Septic tank	0	40
		Walls	0	60
	Civil structures	Masonry structure	0	50
		Retaining wall	0	60
		Timber pole structure	0	15
	Drainage	Kerb	0	50
		Kerb inlet	0	20
	Earthworks	Earthworks	0	100
	External facilities	Carport	0	7
		External furniture	0	20
		External lighting	0	30
		Landscaping	0	50
		Paving	0	40
		Perimeter protection	0	30
		Sign - general	0	15
		Small building / enclosure	0	50
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Service connections on site	Electrical service connection	0	50
		Pipe - sewer	0	100
		Pipe - water	0	80
Clinics / Care	Buildings	Air conditioning	0	8
centres		Electrical installation (building)	0	30

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
		Finishes, fixtures & fittings	0	15
		Fire protection	0	20
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Security system	0	5
		Walls	0	60
	Civil structures	Masonry structure	0	50
		Timber pole structure	0	15
	Drainage	Kerb	0	50
		Kerb inlet	0	20
		Sub-soil drain	0	50
	Earthworks	Earthworks	0	100
	External facilities	Carport	0	7
		External furniture	0	20
		External lighting	0	30
		Landscaping	0	50
		Paving	0	40
		Perimeter protection	0	30
		Sign - general	0	15
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Service connections on site	Electrical service connection	0	50
		Pipe - sewer	0	100
		Pipe - water	0	80
Core layer	Communications equipment	Fibre optic cable	0	50
Creches	Buildings	Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Floor	0	50
		Plumbing	0	20

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
		Roof	0	40
		Security system	0	5
		Walls	0	60
Creches	Civil structures	Retaining wall	0	60
		Tank	0	80
	Drainage	Kerb	0	50
		Kerb inlet	0	20
	Earthworks	Earthworks	0	100
	External facilities	External furniture	0	20
		External lighting	0	30
		Landscaping	0	50
		Paving	0	40
		Perimeter protection	0	30
		Sign - general	0	15
	Pavements	Road surface	0	5
	Service connections on site	Electrical service connection	0	50
		Pipe - sewer	0	100
		Pipe - water	0	80
Distribution	Communal standpipes	Communal standpipe	0	10
	Municipal service	Pipe - water	0	80
	connections	Water meter	0	10
	Pipe work	Hydrant	0	20
		Pipe - water	0	80
		Pipe - water	0	80
		Pipe - water	0	80
		Valve - water	0	45
		Water meter	0	10
Drainage collection	Civil structures	RC structure	0	80
	Drainage	Culvert	0	60
		Grid inlet	0	30
		Kerb	0	50

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
		Kerb inlet	0	20
Fire / ambulance	Buildings	Air conditioning	0	8
stations		Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Fire protection	0	20
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Security system	0	5
		Walls	0	60
	Civil structures	Tank	0	80
	Drainage	Kerb	0	50
	Earthworks	Earthworks	0	100
	External facilities	Carport	0	7
		External lighting	0	30
		Landscaping	0	50
		Paving	0	40
		Perimeter protection	0	30
		Sign - general	0	15
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Service connections on site	Electrical service connection	0	50
		Pipe - sewer	0	100
		Pipe - water	0	80
Halls / Centres	Buildings	Air conditioning	0	8
		Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Fire protection	0	20
		Floor	0	50
		Plumbing	0	20
		Roof	0	40

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
		Security system	0	5
		Walls	0	60
	Civil structures	Masonry structure	0	50
		RC structure	0	80
		Retaining wall	0	60
		Steel structure	0	60
		Tank	0	80
		Timber pole structure	0	15
	Drainage	Channel	0	20
		Kerb	0	50
		Kerb inlet	0	20
	Earthworks	Earthworks	0	100
	External facilities	Carport	0	7
		External furniture	0	20
		External lighting	0	30
		Landscaping	0	50
		Paving	0	40
		Perimeter protection	0	30
		Sign - general	0	15
		Small building / enclosure	0	50
	Mechanical equipment	Pump - water	0	15
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Service connections on site	Electrical service connection	0	50
		Pipe - sewer	0	100
		Pipe - water	0	80
	Sports facilities	Sports field	0	30
HV Substations	Buildings	Air conditioning	0	8
		Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Fire protection	0	20

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
		Floor	0	50
		Roof	0	40
		Security system	0	5
		Walls	0	60
	Communication	Control kiosk	0	10
	equipment	Fibre optic cable	0	50
	DC systems	Batteries	0	20
		Battery charger	0	10
	External facilities	External lighting	0	30
		Perimeter protection	0	30
	HV overhead lines	HV overhead line support structure	0	50
	HV switching station	Control panel	0	50
	equipment	HV busbar indoor	0	50
		HV compact circuit breaker, isolator and current transformer unit	0	50
		HV earth switch	0	50
		HV isolator	0	50
		Lightning mast and shield wiring	0	50
		Station earthing - mat and electrodes	0	50
		Surge arrestor	0	50
	MV substation equipment	Control panel	0	50
		Current transformer	0	50
		MV earth switch	0	50
		Transformer NECRT	0	50
		Voltage transformer	0	50
HV Transmission	HV cables	HV cable	0	50
Conductors	HV overhead lines	HV overhead line conductor	0	50
LV Networks	Electricity meters	Automated electricity meter	0	10
		Conventional electricity meter	0	30
		Prepaid electricity meter	0	10
	LV conductors	LV cable	0	60

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
		LV overhead line	0	45
	Municipal service connections	LV kiosk	0	45
	Public lighting	Street lights	0	45
Municipal Offices	Buildings	Air conditioning	0	8
		Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Fire protection	0	20
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Security system	0	5
		Walls	0	60
	Civil structures	RC structure	0	80
		Tank	0	80
	Drainage	Kerb	0	50
		Kerb inlet	0	20
	External facilities	Carport	0	7
		External lighting	0	30
		Landscaping	0	50
		Paving	0	40
		Perimeter protection	0	30
		Sign - general	0	15
	Metal work	Fabricated steel	0	30
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Service connections on site	Electrical service connection	0	50
		Pipe - sewer	0	100
		Pipe - water	0	80
	Buildings	Air conditioning	0	8
		Electrical installation (building)	0	30

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
Museums / Galleries		Finishes, fixtures & fittings	0	15
/ Theatres / Libraries		Fire protection	0	20
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Security system	0	5
		Walls	0	60
	Civil structures	RC structure	0	80
		Retaining wall	0	60
		Tank	0	80
	Drainage	Channel	0	20
		Kerb	0	50
		Kerb inlet	0	20
	Earthworks	Earthworks	0	100
	External facilities	Carport	0	7
		External furniture	0	20
		External lighting	0	30
		Landscaping	0	50
		Paving	0	40
		Perimeter protection	0	30
		Sign - general	0	15
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Pipe work	Pipe - storm water	0	50
	Service connections on site	Electrical service connection	0	50
		Pipe - sewer	0	100
		Pipe - water	0	80
MV Networks	MV conductors	MV cable	0	50
	MV mini-substations	MV transformer	0	50
	MV network equipment	Ring main unit	0	50
	MV transformer	MV transformer	0	50

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
MV Substations	Buildings	Air conditioning	0	8
		Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Fire protection	0	20
		Floor	0	50
		Roof	0	40
		Walls	0	60
	Communication equipment	Control kiosk	0	10
		Fibre optic cable	0	50
		Storage area network	0	10
	Control and instrumentation	Distributed control system	0	15
	DC systems	Batteries	0	20
		Battery charger	0	10
	Electrical equipment	Control panel	0	50
		Telemetry	0	10
	External facilities	External lighting	0	30
		Perimeter protection	0	30
	Metal work	Fabricated steel	0	30
	MV substation equipment	Capacitor bank	0	20
		MV earth switch	0	50
	MV transformer	MV transformer	0	50
	Pavements	Road structural layer	0	80
		Road surface	0	5
Outdoor facilities	Buildings	Air conditioning	0	8
		Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Fire protection	0	20
		Floor	0	50
		Plumbing	0	20
		Roof	0	40

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
		Security system	0	5
		Walls	0	60
	Civil structures	Earth structure	0	50
		Masonry structure	0	50
		RC structure	0	80
		Retaining wall	0	60
		Tank	0	80
		Timber pole structure	0	15
	Drainage	Channel	0	20
		Kerb	0	50
		Kerb inlet	0	20
	Earthworks	Earthworks	0	100
	Electrical equipment	Control panel	0	50
		Motor	0	15
	External facilities	Carport	0	7
		External furniture	0	20
		External lighting	0	30
		Irrigation	0	10
		Landscaping	0	50
		Paving	0	40
		Perimeter protection	0	30
		Sign - general	0	15
		Small building / enclosure	0	50
	Mechanical equipment	Pump - pool	0	15
		Pump - water	0	15
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Service connections on site	Electrical service connection	0	50
		Pipe - sewer	0	100
		Pipe - storm water	0	50
		Pipe - water	0	80

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
	Sports facilities	Basketball court	0	20
		Bowling green	0	20
		Juskei court	0	20
		Spectator stand	0	50
		Sports field	0	30
		STADIUM	0	50
		Swimming pool	0	20
		Tennis court	0	30
Outfall Sewers	Pipe work	Pipe - sewer	0	100
Parks	Buildings	Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Walls	0	60
	Civil structures	Masonry structure	0	50
		RC structure	0	80
		Tank	0	80
		Timber pole structure	0	15
	Drainage	Kerb	0	50
		Kerb inlet	0	20
	Earthworks	Earthworks	0	100
	External facilities	External furniture	0	20
		External lighting	0	30
		Landscaping	0	50
		Paving	0	40
		Perimeter protection	0	30
		Sign - general	0	15
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Service connections on site	Electrical service connection	0	50

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
		Pipe - sewer	0	100
		Pipe - water	0	80
Promenades	Buildings	Air conditioning	0	8
		Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Fire protection	0	20
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Security system	0	5
		Walls	0	60
	Civil structures	Gabions	0	80
		Masonry structure	0	50
		RC structure	0	80
		Timber pole structure	0	15
	Drainage	Kerb	0	50
		Kerb inlet	0	20
	Earthworks	Earthworks	0	100
	External Facilities	Carport	0	7
		External furniture	0	20
		External lighting	0	30
		Landscaping	0	50
		Paving	0	40
		Sign - general	0	15
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Service Connections on	Electrical service connection	0	50
	SICE	Pipe - sewer	0	100
		Pipe - water	0	80
Public Ablution	Buildings	Finishes, fixtures & fittings	0	15
Facilities		Floor	0	50

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUF	EUL
			(% CRC)	
		Plumbing	0	20
		Roof	0	40
		Walls	0	60
	Civil structures	Masonry structure	0	50
	External facilities	External lighting	0	30
		Paving	0	40
		Perimeter protection	0	30
	Service connections on site	Pipe - sewer	0	100
		Pipe - water	0	80
Pump stations	Buildings	Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Security system	0	5
		Walls	0	60
	Civil structures	Earth structure	0	50
		RC structure	0	80
		Steel structure	0	60
		Tank	0	80
	Control and instrumentation	Telemetry	0	10
	Earthworks	Earthworks	0	100
	Electrical equipment	Control panel	0	50
		Generator	0	20
		Motor	0	15
	External facilities	External lighting	0	30
		Perimeter protection	0	30
		Small building / enclosure	0	50
	LV conductors	LV cable	0	60
	Mechanical equipment	Crane	0	20

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
		Pump - sewer	0	15
		Pump - submersible	0	12
		Pump - water	0	15
	Metal work	Fabricated steel	0	30
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Pipe work	Valve - sewer	0	45
		Valve - water	0	45
		Water meter	0	10
Rail Lines	Earthworks	Earthworks	0	100
	Rail Lines and Ballast	Ballast	0	80
		Points (rail)	0	15
		Rail lines	0	50
Reservoirs	Buildings	Air conditioning	0	8
		Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Security system	0	5
		Walls	0	60
	Civil structures	Masonry structure	0	50
		RC structure	0	80
		Steel structure	0	60
		Tank	0	80
	Control and instrumentation	Telemetry	0	10
	Electrical equipment	Control panel	0	50
		Generator	0	20
		Motor	0	15
	External facilities	Control panel	0	50

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
		External lighting	0	30
		Perimeter protection	0	30
		Small building / enclosure	0	50
	LV conductors	Control cable	0	10
		LV cable	0	60
	Mechanical equipment	Crane	0	20
		Pump - sewer	0	15
		Pump - water	0	15
	Municipal service connections	Control panel	0	50
	MV switching station equipment	Control panel	0	50
	Pipe work	Valve - sewer	0	45
		Valve - water	0	45
		Water meter	0	10
	Service connections on site	Electrical service connection	0	50
Reticulation	Civil structures	Masonry structure	0	50
	Municipal service connections	Pipe - sewer	0	100
	Pipe work	Pipe - sewer	0	100
Road	Earthworks	Earthworks	0	100
	Pavements	Road structural layer	0	80
		Road surface	0	5
Road Furniture	Road furniture	Commuter shelter	0	30
		Footpath / paving	0	40
		Sign - regulatory	0	7
		Speed hump	0	50
	Traffic signals	Traffic signal units	0	15
Road Structures	Pedestrian bridges	Pedestrian bridge superstructure	0	50
	Road bridges	Road bridge superstructure	0	80
Social Housing	Buildings	Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL	EUL
			(% CRC)	
		Fire protection	0	20
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Walls	0	60
	Civil structures	Masonry structure	0	50
		RC structure	0	80
		Retaining wall	0	60
	Drainage	Channel	0	20
	External facilities	External furniture	0	20
		External lighting	0	30
		Landscaping	0	50
		Paving	0	40
		Perimeter protection	0	30
		Sign - general	0	15
	Metal work	Fabricated steel	0	30
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Service connections on site	Electrical service connection	0	50
		Pipe - sewer	0	100
		Pipe - water	0	80
Staff Housing	Buildings	Air conditioning	0	8
		Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Fire protection	0	20
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Security system	0	5
		Walls	0	60
	Civil structures	Retaining wall	0	60

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
	External facilities	Carport	0	7
		External lighting	0	30
		Landscaping	0	50
		Paving	0	40
		Perimeter protection	0	30
	Service connections on site	Electrical service connection	0	50
		Pipe - sewer	0	100
		Pipe - water	0	80
		Water meter	0	10
Stormwater Conveyance	Drainage	Channel	0	20
		Sub-soil drain	0	50
	Pipe work	Pipe - storm water	0	50
Taxi ranks / Bus	Buildings	Electrical installation (building)	0	30
terminals		Finishes, fixtures & fittings	0	15
		Fire protection	0	20
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Walls	0	60
	Civil structures	Retaining wall	0	60
		Tank	0	80
		Timber pole structure	0	15
	Drainage	Channel	0	20
		Kerb	0	50
		Kerb inlet	0	20
	Earthworks	Earthworks	0	100
	External facilities	Carport	0	7
		External lighting	0	30
		Landscaping	0	50
		Paving	0	40
		Perimeter protection	0	30

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
		Sign - general	0	15
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Road furniture	Footpath / paving	0	40
	Service connections on site	Electrical service connection	0	50
		Pipe - sewer	0	100
		Pipe - water	0	80
Waste Separation	Buildings	Air conditioning	0	8
Facilities		Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Fire protection	0	20
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Security system	0	5
		Walls	0	60
	Civil structures	Earth structure	0	50
		Masonry structure	0	50
		RC structure	0	80
		Retaining wall	0	60
		Tank	0	80
	Drainage	Channel	0	20
		Kerb	0	50
		Kerb inlet	0	20
	Earthworks	Earthworks	0	100
	External Facilities	External lighting	0	30
		Landscaping	0	50
		Paving	0	40
		Perimeter protection	0	30
		Sign - general	0	15
		Small building / enclosure	0	50

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL	EUL
			VALUE	
			(% CRC)	
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Service Connections on	Electrical service connection	0	50
	Site	Pipe - sewer	0	100
		Pipe - water	0	80
Waste-water	Buildings	Electrical installation (building)	0	30
treatment works (WWTW)		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Walls	0	60
	Civil structures	RC structure	0	80
		Steel structure	0	60
	Earthworks	Earthworks	0	100
	Electrical equipment	Aerator	0	100
		Control panel	0	50
		Motor	0	15
	External facilities	External lighting	0	30
		Perimeter protection	0	30
	Mechanical equipment	Pump - sewer	0	15
		Pump - water	0	15
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Pipe work	Valve - sewer	0	45
		Valve - water	0	45
Water treatment	Buildings	Electrical installation (building)	0	30
WORKS (WIW)		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Septic tank	0	40
		Walls	0	60
	Civil structures	Filter media	0	10

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
		RC structure	0	80
		Steel structure	0	60
		Tank	0	80
	Control and instrumentation	Telemetry	0	10
	Earthworks	Earthworks	0	100
	Electrical equipment	Control panel	0	50
		Motor	0	15
	External facilities	External lighting	0	30
		Perimeter protection	0	30
	Mechanical equipment	Extraction blower	0	15
		Pump - water	0	15
	Municipal service connections	LV cable	0	60
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Pipe work	Pipe - water	0	80
		Valve - water	0	45
		Water meter	0	10
Workshops / stores	Buildings	Air conditioning	0	8
		Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15
		Fire protection	0	20
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Security system	0	5
		Walls	0	60
Yards / Depots	Buildings	Air conditioning	0	8
		Electrical installation (building)	0	30
		Finishes, fixtures & fittings	0	15

ASSET GROUP TYPE	ASSET TYPE	COMPONENT TYPE	RESIDUAL VALUE	EUL
			(% CRC)	
		Fire protection	0	20
		Floor	0	50
		Plumbing	0	20
		Roof	0	40
		Security system	0	5
		Walls	0	60
	Civil structures	Masonry structure	0	50
		RC structure	0	80
		Steel structure	0	60
		Tank	0	80
		Timber pole structure	0	15
	Drainage	Channel	0	20
		Kerb	0	50
	Earthworks	Earthworks	0	100
	Electrical equipment	Generator	0	20
Yards / Depots	External facilities	Carport	0	7
		External lighting	0	30
		Paving	0	40
		Perimeter protection	0	30
	Mechanical equipment	Pump - water	0	15
	Pavements	Road structural layer	0	80
		Road surface	0	5
	Service connections on site	Electrical service connection	0	50
		Pipe - sewer	0	100
		Pipe - water	0	80

ANNEXURE B-Expected Useful Lives and Residual Values of Movable, Heritage and Intangible Assets

	Expected	<b>Residual Value</b>
Motor vehicles	4-7	0
Motor cycles	3	0
Fire equipment	10-15	0

Ambulance equipment	5	0
Fire hoses	5	0
Emergency lights	5	0
Household refuse bins	5	0
Bulk containers	8-10	0
Trucks and bakkies	5-7	0
Aircraft	10-15	0
Watercraft	15-20	0
Fire engines	5-10	0
Buses	10-15	0
Graders	10-15	0
Tractors	10-15	0
Mechanical horses	10	0
Farm equipment	5	0
Lawnmowers	2	0
Compressors	3-5	0
Laboratory equipment	5	0
Radio equipment	5	0
Fire arms	5	0
Telecommunication equipment	5	0
Plant and equipment general	5-10	0
Cable cars	15	0
Irrigation systems	15	0
Cremators	15	0
Lathes	15	0

Milling equipment	15	0
Conveyors	15	0
Feeders	15	0
Tippers	7-15	0
Pulverising mills	15	0
Computer hardware	5	0
Chairs	5-7	0
Tables and desks	5-7	0
Cabinets and cupboards	5-7	
Furniture and fittings other	5-7	
Office machines	5	
Monuments	0	
Historic buildings	0	
Works of art	0	

Conservation areas	0	
Other heritage	0	
Servitudes	0	
Water rights	3-7	
Effluent licenses	3-7	
Solid waste licenses	3-7	
Computer software and applications	3-7	
Load settlement software application	3-7	

### ANNEXURE C – Financial asset Register fields

#### Acquisition

- Transaction Date
- Amount

#### Identification

• Asset class: should facilitate GRAP financial reporting requirements, e.g.

PPE, investment property, intangible asset, etc.

• Asset sub-class: Class Level 2 e.g. motor vehicle, furniture, road infrastructure, etc.

• Asset functional group - Class Level 3 e.g. clinic, warehouse, hall

• Asset number: a unique system-generated identifier

• Inventory number: Barcode asset tag

• Asset specific identifiers: e.g. serial numbers, registration number, erf. number

• Asset description: e.g. 2005 Toyota Corolla 140i, brown wooden six-seater boardroom table, etc.

• Location: e.g. Office 123, Store Abe, Erf. Xyz

• GPS: recommended for easy location (where relevant).

#### Accountability

•Department/ division: (depends upon organisation)

•Section/ unit (depends upon organisation)

• Cost centre

• Custodian: e.g. user of the asset or person responsible for safeguarding the asset in his/her possession: for laptop, custodian is Mr Jones (Financial Manager).

• Transfers: (to record date and transferor)

#### Performance

• Performance measures (where relevant)

• Condition Assessment (date, rating, person doing assessment, file no -for details)

- Warranties, guaranties or certification
- Useful life: e.g. years/hours/units/mileage, etc. of expected use
- Residual value: to be evaluated annually

#### Disposal

- Date
- Capacity: at date of disposal

- Condition: e.g. good, fair, bad, etc.
- Remaining useful: if sold earlier than originally planned
- Reason for disposal

#### Accounting

- Historical cost (or fair value where cost not available for initial recognition)
- Funding source
- Useful life: (original)
- Remaining useful life: (assessed, date of assessment)
- Residual value: (original, assessed and date of assessment)
- Impairment. (amount, date assessed)
- Depreciation: value and rate: current year
- Accumulated depreciation: life to date
- Carrying amount
- Disposal (where relevant): (date, realised amount, details on disposal, Council resolution)