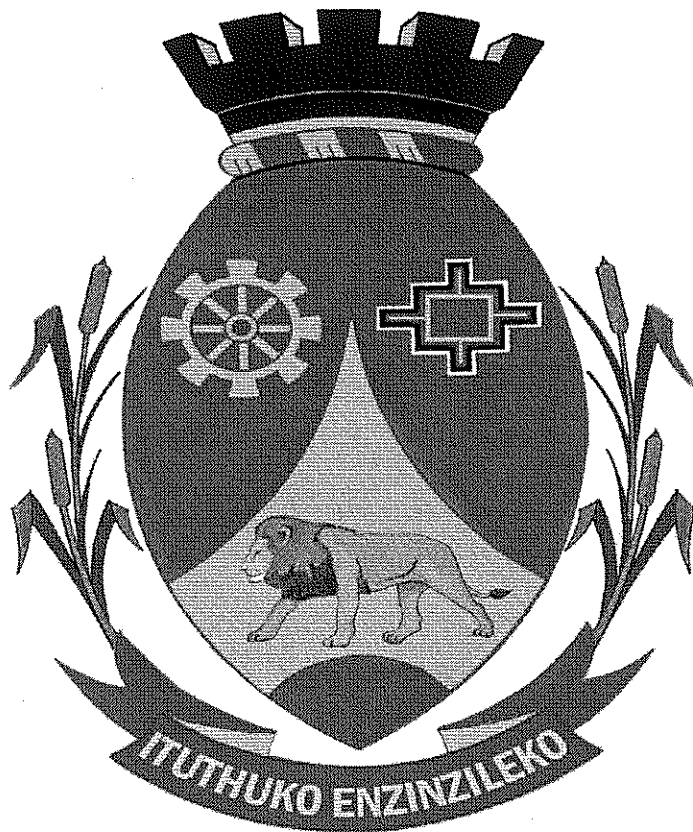


THEMBISILE HANI LOCAL MUNICIPALITY



FIXED ASSETS BY-LAW



THE PROVINCE OF MPUMALANGA
DIE PROVINSIE MPUMALANGA

**Provincial Gazette Extraordinary
Buitengewone Provinsiale Koerant**

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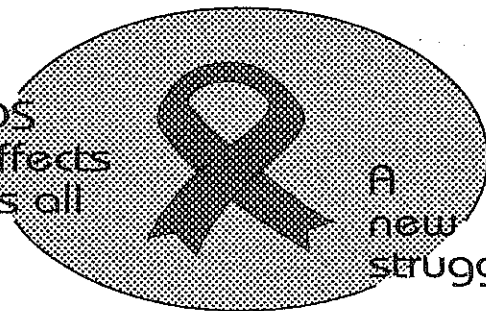
Vol. 20

NELSPRUIT, 15 FEBRUARY 2013
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No. 2138

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THEMBISILE HANI MUNICIPALITY
FIXED ASSETS BY-LAWS

Under section 156 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), the Thembisile Hani Municipality, enacts as follows:-

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1. Definitions

“**chief financial officer**” means the person designated by the chief accounting officer of the municipality in terms of section 80(2) (a) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003);

“**Council**” means the Council of Thembisile Municipality;

“**depreciation**” means the monetary quantification of the extent to which a fixed asset is

used or consumed in the provision of economic benefits or the delivery of services;
“**fixed asset**” means a tangible item of property, plant or equipment which meet the criteria contemplated in section 12, and which is under the control of the Thembisile 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 financial year, and includes an asset held under a finance lease;
“**housing developments**” means developments financed and managed by the municipality itself, with the sole purpose of selling or letting such houses for profit;
“**IAS**” means the International Accounting Standards issued by the International Accounting Standards Board;
“**municipal manager**” means the person appointed by the Council under section 82 of the Local Government: Municipal Structure Act, 1998 (Act 117 of 1998).

2. Responsible officers

- (1) The municipal manager, as accounting officer of the municipality, is the principal custodian of all the municipality’s fixed assets, and is responsible for implementing these By-laws.
- (2) The chief financial officer is the fixed asset registrar of the municipality, and must ensure that the fixed asset register, as contemplated in section 3, is maintained.

3. Fixed asset register

- (1) The fixed asset register must be-
 - (a) complete;
 - (b) accurate
 - (c) up-to-date;
 - (d) contained in an electronic database;
 - (e) maintained in a format determined by the chief financial officer, which format must comply with the requirements of-
 - (i) generally recognized accounting practice;
 - (ii) generally accepted municipal accounting practice; and
 - (iii) any other accounting requirements which may be prescribed by the control or by law.
- (2) No amendments, deletions or additions to be fixed asset register may be made other than by the chief financial officer or by an official acting under the written instruction of the chief financial officer.
- (3) The following information must be reflected in the fixed asset register:
 - (a) A description of each asset;
 - (b) the date on which an asset was acquired or brought into use;
 - (c) the location of the asset;
 - (d) the department or vote within which the asset is used;
 - (e) in the case of fixed property-
 - (i) the title deed number; and
 - (ii) the stand number;
 - (f) where applicable, the identification number, as contemplated in 10;
 - (g) the original cost, or the revalued amount contemplated in section 23;
 - (h) the last revaluation date of the fixed asset subject to revaluation, and the

- revalued value of such fixed asset;
 - (i) the name of the person who did the last revaluation;
 - (j) accumulated depreciation to date;
 - (k) the depreciation charge for the current financial year;
 - (l) the carrying value of the asset;
 - (m) the method and rate of depreciation;
 - (n) impairment losses incurred during the financial year and, where applicable, the reversal of such losses;
 - (o) the source of financing;
 - (p) the current insurance arrangements;
 - (q) whether the asset is required to perform basic municipal services;
 - (r) whether the asset has been used to secure any debt, and where this is the case, the nature and duration of such security arrangements;
 - (s) the date on which the asset is disposed of;
 - (t) the disposal price;
 - (u) the date on which the asset is retired from use, if not disposed of;
 - (v) investment assets contemplated in section 5(3);
 - (w) inventories contemplated in section 6(2);
 - (x) heritage assets contemplated in section 7(1);
 - (y) donated asset contemplated in section 8; and
 - (z) revalued land and building contemplated in section 23(7).
- (4) A head of department under whose control a fixed asset falls must promptly provide the chief financial officer in writing with any information required by the chief financial officer to compile the fixed asset register, and must promptly advise the chief financial officer in writing of any material change which may occur in respect of such information.
- (5) A fixed asset must be recorded in the fixed assets register, as soon as it is acquired, however, if the asset is constructed over a period of time, it must be recorded as work-in-progress until it is available for use, where after it must be recorded as a fixed asset in the fixed assets register.
- (6) A fixed asset remains in the fixed assets register for as long as it is in physical existence, and where a fixed asset has been fully depreciated, this is not in itself a reason for writing-off such an asset.

4. Classification of fixed assets

- (1) In compliance with the requirement of the National Treasury, the chief financial officer must ensure that all fixed assets are classified under the following headings in the fixed assets register, and heads of departments must in writing provide the chief financial officer with such information or assistance as is required to compile a proper classification:
- (a) Property, plant and equipment, which class consists of-
 - (i) land not held as investment assets;
 - (ii) infrastructure assets, which assets are part of a network of similar Assets;
 - (iii) community assets, which are resources contributing to the

- general well-being of the community;
 - (iv) heritage assets which are culturally significant resources; and
 - (v) other assets, which are ordinary operational resources;
 - (b) inventory, which class consists of housing, which are rental stock or housing stock not held for capital gain; and
 - (c) investment property, which class consists of investment assets which are resources held for capital or operational gain.
- (2) The chief financial officer must adhere to the class of assets set out in Column 1 to the Schedule to these By-laws, which Schedule refers, and the life in years of assets set out in Column 2 of the Schedule, and in the instance where a fixed asset does not appear in the Schedule, he or she must use the classification that applies to the asset most closely comparable to the asset which does not so appear.

5. Investment assets

- (1) Investment assets must-
- (a) be accounted for in terms of IAS 40; and
 - (b) not be classified as property, plant and equipment for purposes of preparing the municipality's statement of position.
- (2) Investment assets comprise land, buildings or parts of buildings, and both land and buildings held by the municipality as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.
- (3) Investment assets must be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register must be maintained for this purpose.
- (4) (a) Investment assets may not be depreciated, but must be valued annually on balance sheet date to determine their fair market value, and must be
- (b) Adjustments to the previous year's recorded fair value must be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the department or service controlling the assets concerned.
 - (c) An expert value must undertake such valuations.
- (5) If the Council resolves to construct or develop a property for future use as an investment property, such property must in every respect be accounted for as an ordinary fixed asset until it is ready for its use, where after it must be reclassified as an investment asset.

6. Fixed assets treated as inventory

- (1) Any land or building owned or acquired by the municipality with the intention of-
- (a) selling such property in the ordinary course of business; or
 - (b) developing such property for the purpose of selling it in the ordinary course of business,
- must be accounted for as inventory, and must not be included in either property, plant and equipment, or investment property in the municipality's statement of position.
- (2) Such inventories must be recorded in the fixed assets register in the same manner

as other fixed assets, but a separate section of the assets, but a separate section of the fixed assets, but a separate section of the fixed assets register must be maintained for this purpose.

7. Heritage assets

(1) If no original costs or fair values are available in the case of one or more or all heritage assets, the chief financial officer may, if the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such assets or assets in the fixed asset register without an indication of the costs or fair value concerned.

(2) For balance sheet purposes, the existence of such heritage assets must be disclosed by means of an appropriate note.

8. Donated assets

Where a fixed asset is donated to the municipality or a fixed asset is acquired by means of an exchange of assets between the municipality and one or more other parties, the asset concerned must be recorded in the fixed asset register at its value, as determined by the chief financial officer.

9. Safekeeping of assets

(1) A head of department is directly responsible for the physical safekeeping of any fixed asset controlled or used by the department in question.

(2) In exercising the responsibility contemplated in subsection (1), a head of department must adhere to any written directives, in regard to the control of or safekeeping of the municipality's fixed assets, issued by the municipal manager to the head's department, or generally to all department.

10. Identification of fixed assets

(1) The municipal manager must ensure that the municipality maintains a fixed asset identification system which is operated in conjunction with its computerized fixed asset register.

(2) The identification system must-

- (a) be determined by the municipal manager, acting in consultation with the chief financial officer and other heads of departments, and must comply with any legal prescriptions as well as any recommendations of the Auditor-General as indicated in the municipal's audit reports; and
- (b) decide upon within the context of the municipality's budgetary and human resources.

(3) A head of department must ensure that the asset identification system approved for the municipality is scrupulously applied in respect of all fixed assets controlled or used by his or her department in question.

11. Procedure in case of loss, theft, destruction or impairment of fixed assets

A head of department must ensure that any incident of loss, theft, destruction or material impairment of any fixed assets controlled or used by his or her department is promptly reported in writing to the-

- (a) chief financial officer;
- (b) internal auditor; and
- (c) in cases of suspected theft or malicious damage, to the South African Police Service.

12. Capitalisation criteria

(1) The following apply in respect capitalization criteria (material value):

- (a) No item with an initial cost or fair value of less than R5 000, or such other amount as the Council may, on the recommendation of the municipal manager, from time to time determine, may be recognized as a fixed asset, and if the item has a cost or fair value lower than this capitalization benchmark, it must be treated as an ordinary operating expense.
- (b) A head of department must ensure that any item with a value in excess of R250 and estimated useful life of more than one year, is recorded on a stock-sheet.
- © A head of department must ensure that the existence of terms recorded on the stocksheets is verified from time to time, and least once is very financial year, and any amendments which are made to such stocksheets pursuant to such stock verifications, must be retained for audit purposes.

(2) In respect to capitalization criteria (intangible item), no intangible item may be recognized as a fixed asset, except that the chief financial officer acting in strict compliance with the criteria set out in IAS 38 may recommend to the Council that specific development costs be recognized as fixed assets.

(3) The following apply in respect of capitalization criteria (reinstatement, maintenance and other expenses):

- (a) Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such a assets) or in the material extension of the useful opening life of a fixed asset must be capitalised.
- (b) Expenses incurred in the maintenance or reinstatement of a fixed asset must of a fixed asset must be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and may not be capitalised, irrespective of the quantum of the expenses concerned.
- (c) Expenses which are reasonably ancillary to the bringing into operation of a fixed asset may be capitalised as part of such fixed asset and such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, installation, assembly and communication costs.

13. Maintenance plans in respect of new infrastructure asset

- (1) A head of department must ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000 or more is promptly prepared and submitted to the Council for approval.
- (2) If so directed by the municipal manager, the maintenance plan must be submitted to the Council before any approval is granted for the acquisition or construction of the infrastructure asset concern.
- (3) The head of department controlling of using the infrastructure asset in question, must annually, not later than in July, report to the Council-
 - (a) of the extent to which the relevant maintenance plan has been complied with.;
and
 - (b) of the likely effect which any non-compliance may have on the useful operation life of the asset concerned.

14. Deferred maintenance

- (1) 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 as contemplated in section 13, the chief financial offer must disclose the possible implications of such deferred maintenance in an appropriate note to the financial statements, which note must also indicate any plans which the Council has approved in order to redress such deferral of the maintenance requirements concerned.
- (2) If no plan has been formulated as contemplated in section 13 or is likely to be implemented, the chief financial offer must determine the useful operating life of the fixed asset in question, if necessary in consultation with the head of department controlling or using such asset, and must recalculate the annual depreciation expenses accordingly.

15. General maintenance of fixed assets

Subject to section 9, a head of department is directly responsible for ensuring that all assets (other than infrastructure assets which are dealt with in section 13 and 14) are properly maintained and in a manner which will ensure that such assets attain their useful operating lives.

16. Depreciation of fixed assets

- (1) All fixed assets, except land and heritage assets, must be depreciated, and all intangible assets must be amortised.
- (2)
 - (a) Depreciation generally takes the form of an expense both calculated and debited on a monthly basis against the appropriate line item in the department or vote in which the asset is used or consumed.
 - (b) Depreciation must initially be calculated from the day following the day in which a fixed asset is acquired or, in the case of construction works and plant and machinery, the day following the day in which the fixed asset is

brought into use, until the end of the calendar month concerned, and thereafter, depreciation charges must be calculated monthly.

- (3) Each head of department, acting in consulting with the chief financial officer, must ensure that reasonable budgetary provision is made annually for the depreciation of all applicable fixed assets controlled or used by his or her department or expected to be so controlled or used during the ensuing financial year.
- (4) The procedures to be followed in accounting and budgeting for the amortization of intangible assets must be identical to those applying to the depreciation of other fixed asset

17. Rate of depreciation

- (1) In the case of a fixed asset recording on the fixed asset register, the chief financial officer must assign a useful operating life, the chief financial officer must adhere to the useful lives set out in the Schedule to these By-Laws.
- (2) In the case of a fixed asset which is not listed in the Schedule to these By-laws, the chief financial officer must determine a useful operating life, if necessary in consultation with the head of department who shall control or use the fixed asset in question, and must be guided in determining such useful operating life by the likely pattern in which the asset's economic benefits or service potential will be consumed.

18. Method of depreciation

Except in those cases specifically identified in section 20, the chief financial officer must depreciate all depreciable assets on the straight-line method of depreciation over the assigned useful operating life of the asset in question.

19. Amendment of asset lives and diminution in value of fixed assets

- (1) Only the chief financial officer may amendment occurs the chief financial officer must inform the Council of such amendment.
- (2) The chief financial officer must amend the useful operating life assigned to any fixed asset if-
 - (a) it becomes known that such asset has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained; or
 - (b) any other event has occurred which materially affects the pattern in which the asset's economic benefits or service potential will be consumed.
- (3) If the value of a fixed asset has been diminished to such an extent that has no or a negligible further useful operating life or value, such fixed asset must be fully depreciated in the financial year in which such diminution in value occurs.
- (4) If a fixed asset has been lost, stolen or damaged beyond repair, it must be fully depreciated in the financial year in which such event occurs, and if the fixed asset has physically ceased to exist, are it must be written off the fixed asset register.

(5) In the instances contemplated in subsections (2) to (4), the additional depreciation expenses must be debited to the department or vote controlling or using the depreciation expenses must be debit to the department or vote controlling or using the fixed asset in question.

(6) If, in the case of a normally non-depreciable fixed asset which as been capitalised at a value other than a purely nominal value, any event contemplated in subsection (2) to (4) arises, such fixed asset must be partially or fully depreciated, as the case may be, as though it were an ordinary depreciable asset, and the department or vote controlling or using the fixed asset in question must bear the full depreciation expenses concerned.

20. Alternative method of depreciation in specific instances

(1) In the case of fixed assets which are physically wasted in providing economic benefits or delivering services, the chief financial officer may employ the sum-of unit's method of depreciation, but only if the head department controlling or using the fixed asset in question gives a written undertaking to the municipal manager to provide-

(a) estimates of statistical information required by the chief financial officer to Prepare estimates of depreciation expenses for each financial year; and

(b) actual statistical information for each financial year at the specific times stipulated by the chief financial officer,

(2) Where the chief financial officer decides to employ the method contemplated in subsection (1), and the requirements set out in the subsection (1) have been complied with, the chief financial officer must inform the Council of his or her decision.

21. Creation of non-distributable reserve for future depreciation

NOTE: This section has been prepared on the assumption that these reserves are allowed.

(1) The chief financial officer must ensure that in respect of all fixed assets financed from the municipality's asset financing reserve, or from grants or subsidies or contributions received from other spheres of government or from the public at large, as well as in respect of fixed assets donated to the municipality, a non-distributable reserve for future depreciation is created equal in value to the capitalised value of each fixed asset is question.

(2) (a) The financial officer must, after the taking of the action contemplates in subsection (1); ensure that in the case of depreciable fixed asset an amount equal to the monthly depreciation expenses of the fixed asset concerned is transferred each month from such non-distributable reserve to the municipality's appropriation account.

(b) Where there is difference between the budgeted monthly depreciation expenses and the actual total depreciation expenses for each financial year, the year, the chief financial officer must appropriately adjust the aggregate transfer from the non-distributable reserve for the year concerned.

22. Carrying values of fixed assets

All fixed assets must be carried in the fixed assets register, and appropriately recorded in the annual financial statement, at their original cost or fair value less any accumulated depreciation, except-

- (a) revalued assets as contemplated in section 23; and
- (b) heritage assets contemplated in section 7 in respect of which no value is recorded in the fixed asset register.

23. Revaluation of fixed assets

(1) All land and building recorded in the fixed asset register must be revalued with the adoption by the Council of each new valuation roll or, where the land and buildings concerned fall within the boundary of another municipality, with the adoption by such municipality of each new valuation roll.

(2) The chief financial officer must adjust the carrying value of the land and building concerned to reflect in each instance the value of the fixed asset as recorded in the valuation roll, however, the chief financial officer must be satisfied that such value reflects the fair value of the fixed asset concerned.

(3) The chief financial officer, where applicable, create a revaluation reserve for each such asset equal to the difference between the value as recorded in the valuation roll and the carrying value of the fixed asset before the adjustment in question.

(4) The fixed asset concerned must, in the case of buildings, thereafter be depreciated increased depreciation expenses must be budgeted for and debited against the appropriate line item in the department or vote controlling or using the fixed asset in question.

(5) The chief financial officer must ensure that an amount equal to the difference between the new (enhanced) monthly depreciation expense and the depreciation expenses determined in respect of such fixed asset before the revaluation in question, is transferred each month from the revaluation reserve to the municipality's appropriation account, and must make an adjustment of the aggregate transfer at the end of each financial year, if necessary.

(6) (a) If the amount recorded on the valuation roll is less than the carrying value of the fixed asset recorded in the fixed asset register, the chief financial officer must adjust the carrying value of such asset by increasing the accumulated depreciation of the fixed asset in question by an amount sufficient to adjust the carrying value to the value as recorded in the valuation roll.

(b) Such additional depreciation expenses forms a charge, in the first instance, against the balance in any revaluation reserve previously created for such asset, and to the extent that such balance is insufficient to bear the charge concerned, an immediate additional charge against the department or vote controlling or using the asset in question.

(7) Revalued land and buildings must be carried in the fixed asset register, and recorded in the annual financial statements at their revalued amount less, in the instance of buildings, accumulated depreciation.

24. Verification of fixed assets

A head of department must-

- (a) at least once during every financial, as closely as possible to the end of each financial year, undertake and complete a comprehensive verification of all fixed assets controlled or used by his or her department, and
- (b) promptly and fully report in writing to the officer, in the format determined by the chief financial officer, all relevant results of such fixed asset verification, which report must be submitted to the chief financial officer not later than 30 June of the year in question.

25. Alienation of fixed assets

NOTE: The reference to the financing reserve below is based on the assumption that the reserve is allowed.

- (1) The transfer of ownership of any fixed asset must be fair, equitable, transparent, competitive and consistent with the municipality's Supply Chain Management By-laws, 2005.
- (2)
 - (a) A head of department must report in writing to the chief financial officer on 31 October and 30 April of each financial year on all fixed asset controlled or used by his or her department which he or she wishes to alienate by public auction or public tender.
 - (b) The chief financial officer must consolidate the requests received from the various departments and must promptly report such consolidated information to the Council or the municipal manager, as the case may be, recommending the process or the alienation to be adopted.
- (3) The Council must delegate to the municipal manager the authority to approve the alienation of any fixed asset with a carrying value less than R5 000.
- (4) The Council must ensure that the alienation of any fixed asset with a carrying value equal to or in excess of R5000 takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004.
- (5) Once the fixed assets are alienated, the chief financial officer must delete the relevant records from the fixed asset register.
- (6)
 - (a) If the proceeds of the alienation are less than the carrying value recorded in the fixed asset register, such difference must be recognized as a loss in the income statement of the department or vote concerned.
 - (b) If the proceeds of the alienation are more than the carrying value of the fixed asset concerned, the difference must be recognized as a gain in the income statement of the department or vote concerned.
- (7)
 - (a) Subject to the provisions of paragraph (c), all gains realized on the alienation of fixed assets must be appropriated annually to the municipality's asset financing reserve.
 - (b) All losses on the alienation of fixed assets remain as expenses on the income statement of the department or vote concerned.
 - (c) If both gains and losses arise in any one financial year in respect of the alienation of the fixed assets of any department or vote, only the net gain,

if any, on the alienation of such fixed assets may be appropriate.

(8) Transfer of fixed assets to other municipalities, municipal entities, whether or not such municipal entities are under the municipal's sole or partial control, or other organs of the state, must take place in accordance with the above procedures, except that the process of alienation must be private treaty.

26. Other write-offs of fixed assets

- (1) A fixed asset, even though fully depreciated, may be written off only-
 - (a) on the recommendation of the head of department controlling or using the asset concerned; and
 - (b) with the approval of the Council of the municipality.
- (2) (a) A head of department must report to the chief financial on 31 October and 30 April of each financial year on any fixed assets which he or she wishes to have written off, stating in full the reason for such recommendation.
 - (b) The chief financial officer must consolidate all such reports, and must promptly submit a recommendation to the Council on the fixed assets to be written off.
- (3) The only reason for writing off fixed assets, other than the alienation of such fixed assets, are the loss, theft, destruction or material impairment of the fixed asset in question.
- (4) In every instance where a not fully depreciated fixed asset is written off, the chief financial officer must immediately debit to department or vote controlling or using the asset, as additional depreciation expenses, the full carrying value of the asset concerned.

27. Replacement norms

- (1) The municipal manager, in consultation with the chief financial officer and other heads of departments, must formulate and incorporate into a formal policy, norms and standards for the replacement of all normal operational fixed assets.
- (2) The formal policy contemplated in subsection (1) must-
 - (a) be submitted to the Council for approval;
 - (b) cover the replacement of-
 - (i) motor vehicle;
 - (ii) furniture and fitting;
 - (iii) computer equipment; and
 - (iv) any other appropriate operational items; and

28. Insurance of fixed assets

- (1) The municipal manager must ensure that all movable fixed assets are insured at least against fire and theft, and that all municipal building are insured at least against fire and allied perils.
- (2) If the municipality operates a self-insurance reserve (assuming such reserve to be allowed), the chief financial officer must annually determine the premiums payable by the departments or votes after having received a list of the fixed assets and insurable values of all relevant fixed assets from the heads of departments concerned.

- (3) The municipal manager must-
- (a) after consulting with the chief financial officer; and
 - (b) taking due cognizance of the budgetary resources of the municipality,
- recommend to the Council the basis of the insurance to be applied to each type of fixed asset, which basis is either the carrying value or the replacement value of the fixed assets concerned.
- (4) The chief financial officer must annually submit to the Council a report on any reinsurance cover which is deemed necessary to procure for the municipality's self-insurance reserve.

29. Biological assets

- (1) Accounting for biological assets must take place in accordance with the requirement of LAS 41.
- (2) The chief financial officer, in consultation with the heads of department concerned, must ensure that all biological assets, such as livestock and crops, are valued at 30 June each year at fair value less estimated point-of-sales costs, which valuation is undertaken by a recognized valuer in the line of the biological assets concerned.
- (3) Any losses on such valuation must be debited to the department or vote concerned as an operating expense, and any increase in the valuation must be credited to the department or vote concerned as an operating revenue.
- (4) If any biological assets are lost, stolen or destroyed, the matter, if material, must be reported in writing by the head of department concerned in exactly the same manner as though the asset were an ordinary fixed asset.
- (5) Records of the details of biological assets must be kept in a separate section of the fixed assets register or in a separate accounting record altogether, and such details must reflect the information which the financial officer, in consultation with the head of department concerned and the internal auditor, deems necessary for accounting and control purposes.
- (6) The chief financial officer, in consultation with the heads of department concerned, must, if the Council considers such insurance desirable and affordable, annually insure the municipal's biological assets.

30. Short title and commencement

These By-laws may be cited as the Thembisile Fixed Assets By-laws, 2012, and commence on a date determined by the Council.

SCHEDULE
(Sections 4(2), 17(1), 17(2))

COLUMN 1	COLUMN 2
Class of assets	Life in years of assets
1. Infrastructure assets	
(1) Electricity	
(a) Power stations	30
(b) Cooling towers	30
(c) Transformer kiosks	30
(d) Meters	20
(e) Load control equipment	20
(f) Switchgear	20
(g) Supply and reticulation networks	20
(h) Mains	20
(2) Roads	
(a) Motorways	15
(b) Other roads	10
(c) Traffic islands	10
(d) Traffic lights	20
(e) Street lights	25
(f) Overhead bridges	30
(g) Storm water drains	20
(h) Bridges, subways and culverts	30
(i) Car parks	20
(j) Bus terminals	20
(3) Water	
(a) Mains	20
(b) Supply and reticulation networks	20
(c) Reservoirs and storage tanks	20
(d) Meters	15
(e) Rights that is, the right to draw water from a particular source belonging to another party	20
(4) Gas	
(a) Supply and reticulation networks	20
(b) Storage tanks	20
(c) Mains	20
(d) Meters	20
(5) Sewerage	
(a) Sewer mains	20
(b) Outfall sewers	20
(c) Sewerage purification works	20
(d) Sewerage pumps	15
(e) Sludge machines	15

(6)	Pedestrian malls	
	(a) Footways	20
	(b) Kerbing	20
	(c) Paving	20
(7)	Airports	
	(a) Runways	20
	(b) Aprons	20
	(c) Taxiways	20
	(d) Airport and radio beacons	20
(8)	Security measures	
	(a) Access control system	5
	(b) Security systems	5
	(c) Security fencing	5
2.	Community assets	
(1)	Building and other assets	
	(a) Ambulance stations	30
	(b) Aquariums	30
	(c) Beach developments	30
	(d) Care centers	30
	(e) Cemeteries	30
	(f) Civic theatres	30
	(g) Clinics and hospitals	30
	(h) Community centers	30
	(i) Fire stations	30
	(j) Game reserves and rest camps	30
	(k) Indoor sports	30
	(l) Libraries	30
	(m) Museums and art galleries	30
	(n) Parks	30
	(o) Public conveniences and bath houses	30
	(p) Recreation centers	30
	(q) Sports and related stadiums	
	(r) Zoos	
(2)	Recreation facilities	
	(a) Bowling greens	20
	(b) Tennis courts	20
	(c) Swimming pools	20
	(d) Golf courses	20
	(e) Jukskei pitches	20
	(f) Outdoor sports facilities	20
	(g) Organs that is, pipe organs that are fixtures in a municipal hall or other center	20
	(h) Lakes and dams	20
	(i) Fountains	20
	(j) Flood lighting	20

Sum-of-units method of depreciation may be preferred

3. Heritage assets

No asset lives are given, as no ordinary depreciation will be charged against assets such as the following:

- (a) Museum exhibits
- (b) Works of art (which will include paintings and sculptures)
- (c) Public statues
- (d) Historical buildings or other historical structures, as war memorials
- (e) Historical sites, such as Iron Age kiln, historical battle site or site of a historical settlement

4. Investment assets

- (1) Office parks, which have been develop by the municipality itself or jointly between the municipality and one or more other parties 30
- (2) Shopping centers, which have been developed by the municipality itself or jointly between the municipality and one or more other parties 30
- (3) Housing developments 30

5. Other assets

- (1) Building 30
- (2) Abattoirs 30
- (3) Asphalt plant 30
- (4) Cable stations 30
- (5) Caravan parks 30
- (6) Compacting stations 30
- (7) Hostels used to accommodate the public or tourists 30
- (8) Hostels for municipal employees 30
- (9) Housing schemes 30
- (10) Kilns 30
- (11) Laboratories 30
- (12) Fresh produce and other markets 30
- (13) Nurseries 30
- (14) Office building 30
- (15) Old age homes 30
- (16) Quarries 30
- (17) Tip sites 30
- (18) Training centers 30
- (19) Transport facilities 30
- (20) Workshops and depots 30
- (21) Office equipment
 - (a) Computer hardware 5
 - (b) Computer software 3-5

	(c)	Office machines	3-5
	(d)	Air conditioners	5-7
(22)		Furniture and fittings	
	(a)	Chairs	7-10
	(b)	Tables and desks	7-10
	(c)	Cabinets and cupboards	7-10
(23)		Bins and containers	
	(a)	Household refuse bins	5
	(b)	Bulk refuse containers	10
(24)		Emergency equipment	
	(a)	Fire hoses	5
	(b)	Other fire-fighting equipment	15
	(c)	Emergency lights	5
(25)		Motor vehicles	
	(a)	Ambulances	5-10
	(b)	Fire engines	20
	(c)	Buses	15
	(d)	Truck and light delivery vehicles	5-17
	(e)	Ordinary motor vehicles	5-17
	(f)	Motor cycles	3
(26)		Plant and equipment	
	(a)	Graders	10-15
	(b)	Tractors	10-15
	(c)	Mechanical horses	10-15
	(d)	Farm equipment	5
	(e)	Lawn mowers	2
	(f)	Compressors	5
	(g)	Laboratory equipment	5
	(h)	Radio equipment	5
	(i)	Firearms	5
	(j)	Telecommunication equipment	5
	(k)	Cable cars	15
	(l)	Irrigation system	15
	(m)	Cremators	15
	(n)	Lathes	15
	(o)	Filling equipment	15
	(p)	Conveyors	15
	(q)	Feeders	15
	(r)	Tippers	15
	(s)	Pulverising mills	15
	(t)	Aircraft	15
	(u)	Watercraft	15

Sum-of-units method of depreciation may be preferred.