

 <p>Agreement on the Conservation of Albatrosses and Petrels</p>	<p>Fourth Meeting of the Parties <i>Lima, Peru, 23 – 27 April 2012</i></p> <p>Amendments to Financial Regulations</p> <p>Secretariat</p>
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SUMMARY

An amendment is proposed to Financial Regulation 9.3 to provide for the more efficient management of the Agreement's assets in accordance with Australian Accounting Standards Board (AASB) Standard 116 and guidance provided by Australian National Audit Office.

RECOMMENDATION

That Parties approve the proposed amendment to Financial Regulation 9.3.

PROPOSED AMENDMENT OF FINANCIAL REGULATION 9.3

The ACAP Secretariat maintains an asset register as a key element of its asset management framework. The Agreement's Financial Regulations do not, however, specify how an asset is to be recognised. This is necessary for effective asset management and to enable the Secretariat to comply with the Agreement's Financial Regulations e.g. to provide guidance to the Secretariat on when it should seek the approval of the Meeting of the Parties (MoP) for the writing off of assets, in accordance with Finance Regulation 9.3.

The Australian National Audit Office (ANAO) in its publication '[Better Practice Guide on the Strategic and Operational Management of Assets by Public Sector Entities](#)', recommends that an asset recognition threshold be established, as one of the criteria for recognising an asset. It also recommends that 'asset recognition thresholds are set at a level to ensure that resources are not devoted to administering minor assets that do not have an impact on decision-making processes'. (Section 4.9 AASB Standards for asset management).

Taking into consideration the small size of the Agreement's Secretariat and the low level of assets it holds, it is recommended that an item be recognised as an asset when its value exceeds AUD 2,000.

It is proposed that the following changes, identified in bold text, be made to Financial Regulation 9.3 to enable an asset to be recognised.

9.3 The Executive Secretary may propose to the Meeting of the Parties the writing off of losses of assets and bad debts, provided that the external auditor so recommends. Such losses shall be included in the annual accounts. **An item of property, plant or equipment shall be recognised as an asset if its value is more than AUD 2,000.**