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CPA Australia provides detailed guidance on valuation and depreciation for public sector and not-for-profit entities

CPA Australia launched the revised CPA Australia *Guide to Valuation and Depreciation for Public and Not-for-Profit Sectors under AASB Accounting Standards* in Canberra today at an event for finance leaders in the public sector.

The guide, authored by David Edgerton FCPA has had significant input from sector and subject-matter experts and incorporates the latest developments in accounting standards affecting valuation and depreciation of assets held by public sector and not-for-profit entities.

The revised guide has been developed to both provide a high-level, non-technical understanding of the subject matter, and more detailed guidance for those from a technical background including accountants, valuers and engineers.

As a result of the revision, the guide now focuses on valuation and depreciation issues arising under the Australian Accounting Standards, applicable in Australia.

Both the public sector and some NFP sector entities are responsible for a very large range and volume of assets representing a highly significant investment of public or partly public funded resources.

The concepts and guidance provided by this guide are applicable to both public sector and not-for-profit private sector organisations that adopt accrual accounting and regularly revalue their assets to 'Fair Value'.

The change in the technical accounting requirements along with a myriad of approaches adopted by practitioners and valuers has in turn also created challenges for auditors.

The valuation of public and NFP sector assets is a highly specialised field often requiring detailed accounting, engineering and valuation knowledge. The guide should provide useful insights to auditors seeking to obtain assurance on the assets of an audited entity, particularly the valuation and depreciation of such assets.

This guide recognises that across jurisdictions and over time a range of practices and different views on specific concepts has evolved. With the issuance of AASB 13 *Fair Value Measurement* and resulting standardisation of the definition of fair value, this guide has been developed to provide a central point of guidance on the accounting standards requirements and underlying concepts.

<http://www.cpaaustralia.com.au/~media/corporate/allfiles/document/professional-resources/public-sector/guide-to-valuation-and-depreciation>

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