



Delivering more than just figures

COVID-19's Impact on Valuations

Over the past month or so we have seen major changes in almost every aspect of our day-to-day life as a result of the COVID-19 threat. Despite this local governments continue to deliver its essential services to the community as well as comply with their statutory requirements including preparation of the financial statements.

This of course includes the finalization of financial reporting valuations which in turn need to be audited and signed-off by the auditors. The Audit Office's across most jurisdictions have been proactive in bringing forward the timing for valuations so that they can be audited prior to year-end. Unfortunately, the self-isolation requirements and stringent travel restrictions has in turn placed many challenges to enabling valuers to inspect assets and deliver valuations within the previously agreed timeframes.

However, there are a range of innovative solutions that entities are using to resolve these challenges with most revolving around the use of technology. Even if valuers can no longer deliver valuations per agreed timeframes due to the travel restrictions there are still solutions that councils can use to get back on track while also saving money. Some solutions can even deliver the valuations quicker and at lower cost.

Due to the cloud-based nature of Asset Valuer Pro entities can leverage off its capabilities, whether working from home or in the office, to –

- Deliver its own valuations using in-house staff or data
- Use the system to create draft valuations based on existing in-house data with remote assistance provided by APV
- Have APV deliver the valuations remotely with some additional data collection or validation undertaken by council staff or using non-council staff supported by live-video technology. This solution in particular has proven popular with many councils now having staff available to undertake simple data collection using Asset Valuer Pro's iPad app supported by some remote training and mentoring. This solution also builds long-term capability within the organisation.
- Have APV deliver valuations based on a range of assumptions to deliver a draft valuation which can be validated via inspection following the lifting of travel restrictions.

All of these solutions are also consistent with the advice recently issued by the API to all valuation professionals in relation to limitations on the scope of work and impact on the valuation certificate.

Especially for infrastructure assets (such as transport, drainage, water and waste water) the relevant data required for valuations is minimal and is usually already held in council in asset registers. Rather than engage external contractors to deliver the valuations councils can reduce their valuation costs by more than 60% simply by using Asset Valuer Pro. Rather than implement the system via on-site workshops the process can be done remotely by providing the raw data to APV who will develop the asset hierarchy and assumptions, set the system up and deliver a draft valuation. The draft and associated assumptions can then be easily updated via a web meeting with council staff and updated valuations effectively delivered on the day. Such an approach saves significant time and money and ensures council can continue to deliver its valuations within the previously agreed timeframes.

Additionally, as the system is cloud-based it can be accessed remotely by audit who can undertake 100% the valuation audit from the safety of their remote location. It also delivers a wide range of asset management outputs including auto-generation of a 10, 30 or 50 year renewal programs for development of LTFP and budgets, NSW's Special Schedule 7 figures as well as a soon to be released optimized whole of lifecycle cost modelling tool.

Buildings are of course a bit more challenging. But again, there are a range of solutions which can be employed including remote review of existing photos and data combined with full or sample on-site inspection using either council staff, local contractors or delayed inspections once relevant travel restrictions are lifted. This includes the provision of specialized mobile data collection app pre-populated with relevant data that simply needs to be validated or updated.

To find out more about Asset Valuer Pro visit www.assetvaluer.net or to discuss options to get your 2020 valuations over the line in time contact David Edgerton from APV on 0412 033 845 or David@apv.net.

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