

Relevant Legislation	Fijian Constitution 2013 Fiji Procurement Regulations 2010
Commencement Date	3 September 2020 (Revised 24 September 2020)
Review Date	The review date is 12 months after the commencement date and every three years thereafter

POLICY STATEMENT

1 Intent

The purpose of this policy is to provide the Office with a framework to govern management decisions on what necessary actions needs to be taken when an asset is lost damaged or becomes obsolete.

2 Scope

The policies contained herein apply to the recording, use, security, control, maintenance, disposal, and theft of all OAG-owned and controlled assets purchased by Office of the Auditor General.

3 Principles

Those responsible for asset management shall be guided by the following principles:

- Ensure integrity and accuracy in financial and administrative recording of assets;
- Ensure that assets which are procured are needed and are 'value for money';
- Ensure the safeguarding of all assets;
- Promote due care and attention to the maintenance of assets;
- Safeguard interests in the disposal of assets

4 Definitions and Acronyms

Policy Maker	Auditor-General
Management	Approval of Executive Management Committee

5 Key Words

Acquisition Cost

Navision Module

Asset

6 Supporting Procedures/Guidelines

The guidelines to the policy are attached as Annexure I to this policy. This information will provide the background to the development of the policy should Officers need clarification.

RESPONSIBILITIES	
Implementation	The Executive Management are responsible for implementing the policy.
Compliance	All staff and appointed Committee Members are responsible for complying with this policy.
Monitoring and Evaluation	Corporate Services
Implementation & Monitoring Designation	Senior Finance & Administration Officer
Development and/or Review	Corporate Services
Interpretation and Advice	Deputy Auditor-General



ANNEXURE 1

1.0 Definitions

Acquisition cost	Acquisition cost of a fixed asset consists of its purchasing price and all directly attributable costs of bringing the fixed asset to working condition. These may include the cost of site preparation; initial delivery and handling costs including freight and insurance fees; installation costs; professional fees such as for architects and engineers.
Finance Team	shall mean the individual to whom authority for the maintenance of complete and accurate records of assets received and/or held under the control of OAG has been delegated.
Navision Module	is an accounting software module used by OAG to record all asset management function transactions.
Attractive item	may include laptop/tablet computers, scanners, printers, CD burners, external hard drives, or other portable electronic equipment.
Fixed asset	(also known as furniture, plant, and equipment) shall mean any property, equipment purchased by OAG and which is under the control of OAG. Intangible assets such as software are not considered fixed assets under this policy. Fixed assets must meet the following criteria: <ul style="list-style-type: none">• Acquisition cost is greater than or equal to F\$1,000 per unit.• A service lifetime of at least three years for any intangible assets.

OAG staff/ personnel shall mean staff of the Office of the Auditor General.

For the purposes of the policies and procedures contained herein, unless specifically noted, 'assets' will refer to fixed assets as defined herein.

2.0 Types of Assets

There are basically two (2) types of assets that needs to be recorded. These are:

1. Tangible Assets
2. Intangible Assets

a) Tangible Assets

- Office Furniture e.g. chairs, tables
- Office Equipment e.g. laptops, computers, other electronic items
- Outright purchased vehicles

b) Intangible Assets

- Office Software License

3.0 Delegation of Asset Management Authority

The Auditor General may delegate authority for the asset management function to the Deputy Auditor General, and the Assistant Auditor General, and Head of Corporate Support where applicable.

4.0 Financial Regulations and Rules

Management of assets must comply with OAG Financial Manual. As outlined, the delegation of asset management authority is granted on an individual basis and requires delegated authorities to adhere to the relevant portions of the controlling legal instruments.

5.0 Conflict of Interest

It is mandatory that all OAG staff/personnel that have any direct or indirect interest in the purchase, disposal, or transfer of assets under their consideration, thereby giving rise to a conflict of interest, disclose the same in writing to their supervisor.

6.0 Proper Record Keeping of Assets

6.1 Record and Maintain Asset Data

Step 1: Enter asset information correctly - Staff/personnel who purchase assets are responsible for ensuring that asset information is correctly entered into the 'Navision Module'.

Type of purchase	When to record 'receipt' in the Navision	When to put the asset 'in service' in Navision Module
Local purchases	Upon 'physical receipt' i.e. when the asset is physically received at the office.	Immediately upon physical receipt.

Step 2: Verify information is correct in the Navision Module - Once an asset is received, the Finance Team must ensure that asset information is correctly recorded in accordance with OAG Financial Manual in the Navision Module.

If an asset is purchased without entering asset information in a purchase order, the asset's information must be entered manually to the Asset Management Module.

Capitalization of assets using the 'basic add' feature must be kept to a minimum to maintain the linkage of assets to their original purchase order/receipt and prevent errors associated with manual entry of information into Navision Module.

Step 3: Perform Annual Board of Survey of assets - To ensure that assets are properly recorded, the Finance Team must compare the Navision 'potential assets report' with a list of recorded assets to ensure that all new additions have been correctly added into the Navision Module.

Other Important Information on Recording and Maintaining Asset Data

1. Fixed assets must not be recorded under Navision Module that are nearing completion.
2. All OAG fixed assets must be charged to a valid chart of accounts.

The large number of mobile phones in circulation requires a separate tracking mechanism and therefore mobile phones are not entered into the Navision Module. Instead, mobile records are kept in accordance with Mobile Policy

7.0 Annual Physical Verification of Assets

7.1 Appointment of Annual Board of Survey Team

The Deputy Auditor General with the endorsement of Auditor-General is responsible to appoint the Annual Board of Survey Team. These members include:

1. President from OAG
2. A member from OAG; and
3. An Independent Member

Complete the Physical Count Process

An annual physical count of all fixed assets must be conducted by appointed Board of Survey members, ensuring there is a segregation of duties. The physical count must be finalized at the earliest before year end i.e. 25 July of each Financial Year.

A physical count generally consists of the following steps:

Step 1: Obtain Asset Report from Navision Module for assets that are 'in service'.

Step 2: Perform a physical count of fixed assets and compare with the 'assets report'.

Step 3: If a fixed asset that has been physically counted is not found in the 'assets report'

It must be added in the Navision Module as of the date it became available for use. Likewise, if a fixed asset is in the 'assets report' but is not physically verified, an enquiry must be made on the whereabouts of the asset.

Step 4: Ensure that each fixed asset is in useable condition and required for the conduct of OAG's business. Assets which are no longer useable or otherwise required for the conduct of OAG's business must be physically disposed of and retired from the Navision Module using the Schedule of Unserviceable Items Form.

Step 5: For all remaining fixed assets, the office is responsible to check if there are any indicators of any damage. If such indicators are present, this must be communicated to the Annual Board of Survey Team.

Step 6: At the end of the count, the 'assets report' must reconcile with the physical count.

A reconciliation sheet, showing the differences between the physical count and the Asset Management Module, as well as corrective actions taken to reconcile differences must be kept on file.

Step 7: Evidence of the physical count and the subsequent reconciliation must be dated, signed by the Board of Survey Team members who conducted the count, and initialed on every page of Annual Stock Take and Schedule of Unserviceable Item Form. Documentation related to the count must be retained on file for seven years for review by internal and/or external auditors, if requested.

8.0 Certify Assets

The Board of Survey Team must submit signed 'Annual Stock Take and Schedule of Unserviceable Item Form' to the Auditor General through Deputy Auditor General, verifying that the physical count for assets has taken place. The completed forms must be submitted before 31 July.

9.0 Proper Maintenance and Repair of Assets

Assess Requirements for Maintenance and Repair

There are furniture and office equipment that requires routine preventive maintenance to ensure maximum performance and efficiency. Scheduled maintenance may be covered under the warranty or guarantee for newly-acquired items. Respective Assistant Auditor Generals are responsible for ensuring that all scheduled maintenance for items under warranty is carried out as required. He/she must arrange to have assets inspected periodically, and to have routine cleaning and preventive maintenance performed as appropriate.

Despite the preventive measures provided by routine maintenance, assets will occasionally break down or be damaged due to normal wear and tear. The Senior Finance and Administration Officer is responsible for arranging necessary repairs as quickly and economically as possible.

10.0 Arrange for Maintenance and Repairs

Every effort must be made to ensure that all maintenance contracts are entered into with reputable suppliers in order to maximize the quality and efficiency of maintenance contracts. Records of reputable companies performing these services must be maintained, including details regarding the degree of satisfaction with overall quality and economy of their services by the OAG Finance Team responsible.

11.0 Ensure Record Keeping of Maintenance and Repair Costs

With the exception of minor routine maintenance, the Finance Team must ensure that records are kept for all maintenance and repairs to all assets in the Navision Module. Where appropriate, these records will allow assessment of the overall quality and cost of maintaining any one asset, and may also be used in reviewing and analyzing the cost effectiveness and adequacy of current maintenance and repair arrangements.

12.0 Ensuring Security and Care of Assets

Every effort must be made to ensure that assets are stored securely and cared for properly by the staff the asset is assigned to. Wherever possible, assets must be secured so that they are not easily removed or easily visible. Small attractive items and fixed assets (such as laptops, cameras and video equipment) must be stored in locked desks or cupboards which are in safe areas.

Any staff/personnel assigned to a designated location must ensure that assets within that location are treated with due care. Any incidence of malfunction, loss, theft, disappearance, movement, new purchases or damage must promptly be reported to by writing to the Deputy Auditor General.

13.0 Ensuring Control of Mobile Electronic Items

OAG staff/personnel who are issued mobile electronic items (i.e. laptops, computers, digital cameras, projectors) must sign inventory issue form indicating that they are responsible for the asset while it is in their custody. The form must be kept by the IT Staff for filing and record keeping.

14.0 Assigning a Location to Assets

For tracking purposes each fixed asset must be assigned a specific location within office premises. Any procurement, movement, loss, or disposal of assets must be reflected in the Navision Module by the Finance Team.

15.0 Moving Assets within OAG offices

No staff/personnel is allowed to move or relocate any assets assigned to a specific location including furniture and equipment. A written request must be forwarded to the Deputy Auditor General for any relocation or movement of office asset which will be facilitated by the Senior Finance and Administration Officer.

Once an asset is moved, the Finance Team is responsible for updating the Navision Module.

16.0 Managing Loss or Theft of Assets

16.1 Write-off of Loss or Theft of Assets

The staff/personnel to whom the equipment was assigned to, must provide a written report to the Auditor General through respective Assistant Auditor General/ Team Leader. The report shall accompany a Police Report wherever practical. Each unit is required to conduct its own review of any assets which are lost or stolen.

Regardless of the amount of the loss, the request must always be brought to the attention of the Deputy Auditor General, if there is any allegation of misconduct.

The Finance Team must be notified once a decision is reached on the loss of the equipment. This will allow for the updating of records once a decision is reached on the loss or theft.

16.2 Review Process as Required

Respective Assistant Auditor General/ Team Leader will conduct a review of incidents of lost or stolen assets and conduct interviews with the department(s) concerned as required.

17.0 Disciplinary Action

Regardless of the asset value, if a staff member is found to be accountable, disciplinary action will be taken in accordance with the OAG Staff Disciplinary Policy.

If misconduct is substantiated, respective Assistant Auditor General/ Head of Corporate Support may recommend disciplinary or other administrative action to be approved by the Auditor-General, and may require the responsible official to reimburse (surcharge) the loss fully or partially.

17.1 Personal Liability

The Auditor General may determine whether or not personal liability is appropriate based on the following guidelines:

- Based on the degree of fault, the total dollar value of personal liability will be determined by accessing the current book value after the depreciation of the asset as per the Capitalization Policy.

17.2 Ensure Recordkeeping

Upon receipt of the review report by the Finance Team, he/she must arrange for the disposal of the asset in Navision Module and file the signed review report.

18.0 Assessing Fixed Assets for Impairment

18.1 Recognize an Impairment Loss

Impairment is defined as the loss of value of an asset due to exceptional circumstances that limit its use and service potential. A fixed asset is impaired when its value is reduced beyond levels of reduction recorded through normal depreciation.

18.2 The most common indicators of impairment

All organizational units must assess fixed assets for impairment. The most common indicators of impairment include:

- Physical damage;
- Technological obsolescence;
- Internal decisions which negatively affect the use and/or useful life of a fixed asset;
- Decline in usage.

18.3 Reporting any indicators of impairment

All cases where indicators of impairment are present must be reported to the Assistant Auditor General/ Team Leader through submission of the request for Asset Disposal or Theft Investigation. Other documents may also be requested such as:

- Damage or inspection report from external authority (e.g. police report in the case of vehicle accident or stolen laptop);
- Valuation report from an external party showing the fair market value of the fixed asset;
- External quotes for repair works needed to bring the fixed asset to pre-impaired condition;

19.0 Disposal of an Asset

19.1 Roles and Responsibilities

The Board of Survey Team is responsible for submitting requests for approval of asset disposal to the Auditor-General through Deputy Auditor General.

Approval may be obtained from Ministry of Environment on the disposal of obsolete office equipment such as laptops, projectors, printers and any other electronic items.

The Finance Team is responsible for all aspects of record keeping associated with the disposal of assets after the Board of Survey is completed.

The Board of Survey Team members are responsible for recommending to the Auditor General on the manner in which an asset may be disposed of.

19.2 Assess Whether an Asset Can be Disposed

An asset may be disposed of when:

- it no longer meets technological requirements in terms of information technology hardware or;
- it has been clearly established by the Board of Survey Team that there is no further business need for the item concerned or;
- it no longer functions and repairs are not cost effective; or
- it has been established that retaining legal title over items under custody of implementing partner is no longer in the best interests of OAG

19.3 Consider Disposal Options

The appropriate method of disposal for the circumstances described above will depend on the type of asset as well as the condition. The following disposal methods may be considered:

Option A: Donate Assets

Donation of assets may only be considered if the item is in good working order and no longer required to be used by OAG due to office furniture modernization or upgrading of equipment.

Option B: Discard Assets

Discarding assets may be considered when the asset is completely obsolete, cannot be donated, or when the required repairs are no longer cost effective. The asset may be dumped at the appropriate site (Naboro Landfill). The hard drives of all computer equipment must be destroyed before it is discarded.

20.0 Procedures for the Disposal of Assets

Once the approval process has been completed, the following procedures regarding the movement of assets and transfer of title must be strictly followed by the Finance Team. It must be noted that before the asset is transferred to the recipient, the asset tag must be removed from the asset.

21.0 Other important information on disposal of assets

21.1 Conditions of disposal are on an 'as-is' basis

In all cases, assets are disposed of on an 'as-is where-is' basis. OAG makes no guarantee as to the condition of the asset and holds no liability for assets once title is transferred.

21.2 Update Asset Disposals in the Navision Module

Disposed assets must be retired from the Navision Module. The timing of when to perform the disposal action in Navision Module will depend on how the asset was disposed of, in other words the disposal method.

Annexure II- Management of Marquee and Other Tangible Items

1.0 OAG Marquee and Other Tangible Items

The Finance team holds register of other tangible item of \$1000 or less in value and detailed below are the criteria for management of these assets

2.0 Recording of Assets

These are expensed in our books, but are maintained in the Fixed Assets Register under low value assets category. Some of these assets and are not limited to

- OAG Marquee with Logo
- Foldable Tables & Chairs
- Linens

3.0 Use of Assets

These assets are available for use in functions organised within the office, official functions held outdoors and request for social club events. As part of creating awareness, the office will give consideration if requests are received for staff use.

3.1 Request for use of low value Assets

The requesting staff must complete and submit the Asset Request Form to Finance Team once approval has been obtained from Deputy Auditor General for release of the asset. Staff must agree to the terms and conditions as detailed below:

- The staff is responsible for asset from time of pick-up until returned. It must be protected from the weather and secured at all times. The replacement cost will be charged for items not cleaned, missing or damaged.
- For all hire of marquee staff will bear transportation, installation and return cost of items within the agreed dates.
- Items will be used at a designated location only and returned within the agreed timeframe
- All floral arrangements, trash, and decorations of any kind should be removed from Assets when returning. Please be aware that some decorations can cause a permanent stain on the asset. Staff assumes responsibility for all damages caused by decorations.
- Linen should be returned after cleaning, dry and free from waste. Linens that are returned with burns, holes, tears, melted candle wax or permanently stained due to negligence, replacement cost of the linen will deducted from staff salary.
- Staff assumes responsibly for proper care of all items and agrees to pay for damages or loss of the assets except reasonable wear and tear
- The staff agrees to assume the entire responsibility for the defence of and hold the office harmless from any and all claims for damage to property or bodily injury resulting from the use or possession of the borrowed items while found that such damage or injury resulted in whole as part from staff negligence or from the defective condition of the asset or from any cause including during the delivery, loading, unloading, installation, dismantling or for any natural cause during the use of the items
- The staff is solely responsible for any additional charges incurred as a result of failure to meet the set conditions

3.2 Damages

For any damaged item, the borrowing staff assumes all responsibility for all damage to the assets until return to the office premises/designated area as part of borrowing condition.

3.3 Returns

Staff must ensure to return assets within the agreed time to avoid any charges added for salary deduction for delays or failure to return. The staff is solely responsible for any additional charges incurred as a result of failure to meet the set conditions

3.4 Damages Charged

The office is not setting a security deposit, however will take action in case of loss or damage to any asset.

In extreme cases, staff will be charged relevant costing of the asset at the prevailing market price should staff fail to return asset within the agreed time and asset condition

Status of Returned Asset	Surcharges	Treatment
Returned asset not cleaned	Cleaning Costing	Deducted from staff salary
Noted damages/missing items	Replacement Costing	
Full Costing charges	Assets not returned	

Additionally, staff will be subject to disciplinary action for violation of code of Conduct which requires staff must use office resources and assets in a proper way.

ASSET REQUEST FORM

Use this form to record issuing of low value assets

Staff Information

Name: _____ Designation: _____

Phone: _____ Address: _____

Period of request _____ to _____ Returning Date: _____

Purpose of Request

Asset Information

Description, colour, Asset Number including other details

Terms & Conditions

1. The staff is responsible for asset from time of pick-up until returned. It must be protected from the weather and secured at all times. The replacement cost will be charged for items not cleaned, missing or damaged.
2. For all hire of marquee staff will bear transportation, installation and return cost of items within the agreed dates.
3. Items will be used at a designated location only and returned within the agreed timeframe
4. All floral arrangements, trash, and decorations of any kind should be removed from Assets when returning. Please be aware that some decorations can cause a permanent stain on the asset. Staff assumes responsibility for all damages caused by decorations.
5. Linen should be returned after cleaning, dry and free from waste. Linens that are returned with burns, holes, tears, melted candle wax or permanently stained due to negligence, replacement cost of the linen will deducted from staff salary.
6. Staff assumes responsibly for proper care of all items and agrees to pay for damages or loss of the assets except reasonable wear and tear
7. The staff agrees to assume the entire responsibility for the defence of and hold the office harmless from any and all claims for damage to property or bodily injury resulting from the use or possession of the borrowed items while found that such damage or injury resulted in whole as part from staff negligence or from the defective condition of the asset or from any cause including during the delivery, loading, unloading, installation, dismantling or for any natural cause during the use of the items
8. The staff is solely responsible for any additional charges incurred as a result of failure to meet the set conditions

Please kindly endorse if you agree with above terms and conditions

Sign: _____

Date: _____

For Official Use

<input type="checkbox"/> Approved <input type="checkbox"/> Declined	Releasing of Asset	Returning of Asset
Deputy Auditor General	Senior Finance & Admin Officer	Senior Finance & Admin Officer
Sign: _____	Sign: _____	Sign: _____
Date: _____	Date: _____	Date: _____

7 Review

This policy will be reviewed in 2021

8 Monitoring

Any abuse of the policy will result in disciplinary action. To ensure effectiveness of this policy, it will be reviewed after 3 years. Taking into account of challenges to the policy and any changes to legislation and national guidance.

9 Who to Contact About this Policy

Any queries are to be directed to Corporate Services.

10 Revision/Change Log

Version 2.0	
Policy endorsed by:	Executive Management Committee
Policy approved by:	Auditor-General
Policy effective from:	24 September 2020
Policy to be reviewed by:	2 September 2021
Manager responsible for policy:	Head of Corporate Services

Version 1.0	
Policy endorsed by:	Executive Management Committee
Policy approved by:	Auditor-General
Policy effective from:	3 September 2020
Policy to be reviewed by:	2 September 2021
Manager responsible for policy:	Head of Corporate Services