

FMM 03.33 Assets

33.1 Authority and Prescribed Requirements

- Public Finances (Management) Act 1995 (PFMA)
 - Section 2 Defines public property as any asset owned by the State.
 - Section 5 Requires departmental heads to ensure effective management and safeguarding of public assets.
 - Section 42 Mandates the proper recording, usage, and disposal of public property.
 - Section 48 Requires approval for asset acquisitions exceeding prescribed thresholds.
- National Procurement Act 2018 governs the procurement process for acquiring public assets.
- Public Service (Management) Act 1995 outlines responsibilities for managing assets within public offices.

33.2 Standards and Supporting Documentation

- IPSAS 17 (Property, Plant, and Equipment)
- IPSAS 12 Inventory
- Finance Form 87 – Board of Survey Report

33.3 Minimum Responsibilities

Department of Finance to provide a system to maintain a fixed asset register for agencies.

Departmental Heads ensure all assets are recorded, safeguarded, and used for their intended purpose approve asset acquisition, usage, and disposal within delegated authority limits.

Asset Managers

- Maintain an updated asset register and conduct regular reconciliations and stocktakes.
- Implement controls to prevent misuse, theft, or damage.

Finance Officers

- Record asset transactions in the Integrated Financial Management System (IFMS).

- Ensure compliance with financial reporting standards, including asset depreciation.

Auditors and Inspectors

- Verify the existence, condition, and proper management of public assets.
- Review asset registers and associated records for accuracy.

33.4 Mandated Policy

1. All public assets must be acquired, controlled, used, and disposed of:

- In accordance with approved policies, delegated authorities, and legislative obligations;
- Recorded and maintained in the Fixed Asset Module of IFMS, as the system of record at least reconciled annually (even where more detailed and alternative asset systems is used);
- Supported by inventory, stocktake, and reconciliation processes.

33.4.1 Classification of Assets

2. When Assets are recognised for financial reporting purposes they must be classified as either current or non-current.

A current asset is one that is expected to be used or settled within 12 months and a non-current asset is expected to be held for a period of more than one year.

Assets must be identified by type as:

Asset Type	Description
Tangible Assets	Buildings, land, equipment, vehicles, infrastructure, tools, vessels
Intangible Assets	Software, intellectual property, licences
Portable & Attractive	Mobile phones, tablets, laptops, handheld GPS, etc.

33.4.2 Climate Change Risk and Resilience

3. Agencies must consider climate change-related risks to public assets and incorporate them into asset planning, including:

- Physical risk (e.g. flood, landslide, rising sea levels)
- Service disruption (e.g. roads inaccessible due to environmental events)
- Resilience requirements for infrastructure design and maintenance
- Record asset location and risk indicators in IFMS or a linked GIS platform or supplementary system;
- Flag vulnerable assets during capital planning;
- Include climate resilience in procurement and asset lifecycle costing.

33.4.3 Transfers, Disposals, and Assets Held for Sale

33.4.3.1 Asset Transfers

4. Assets may be transferred between government agencies without sale under mutual agreement and does not trigger procurement rules under the National Procurement Act.

- In order to effect a transfer, it must be:
 - Authorised by the respective department heads;
 - Recorded in both agencies' asset registers; and
 - Updated in IFMS.
 - Major assets such as land and building also require notification to the Department of Finance, particularly where such transfer may trigger material costs for assets maintenance or use.

33.4.3.2 Asset Disposals

5. Assets no longer in use or beyond economic repair must be:

- Inspected and certified for disposal

- Disposed of under the Procurement Instructions issued by National Procurement Commission.

33.4.3.3 Assets Held for Sale

6. Assets intended for sale must be separately disclosed in financial statements for agencies adopting Accrual Basis.

33.4.3.4 Assets Received Free or Below Market Value

7. Assets received at no or nominal cost (such as transfer of vehicles following the closure of a donor project) must be:

- Recorded at fair value at the date of receipt;
- Disclosed as donations;
- Subject to all standard controls.

33.4.4 Personal Use and Portable/Attractive Assets

8. Government assets must not be used for personal or unauthorised purposes.

9. All portable and attractive assets must be:

- Tagged;
- Recorded in a portable and attractive sub-register (this is not maintained on IFMS);
- Tracked using a register (on the location and personal responsible).

10. Officers must sign for assigned items (e.g. phones, laptops) and return them upon:

- Resignation;
- Leave of absence;
- End of posting or assignment.

11. Any damage, theft or loss must be reported and recorded in the Losses and Deficiencies Register.

33.4.4.1 Asset Loan Register

12. Departmental Heads shall ensure procedures are in place to effectively control the location, assigned responsible officer, and loans to other officers or departments.

13. A Loan Register is to be maintained to record issue issues to officers in the course of their duties. Minimum information should be: date of issue, description of item, name of officer to whom issued, name/signature of the receiving officer, date of return

The officer to whom the item was issued is personally responsible for returning the item in good condition on return to home station and before departure on leave or transfer.

If an item is forwarded to an agent for service or repair, this should be recorded in the Loan Register. Follow-up action can be taken as necessary to ensure the item is reclaimed upon completion of service or repair.

Misuse, damage, or loss of an asset will be recorded on the Losses and Deficiencies Register and reported to the departmental head for follow-up action.

33.5 Non-Mandatory Guidance

Nil

Further Information	frcd@finance.gov.pg
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