

FMM 03.34 Asset Register and Maintenance

34.1 Authority and Prescribed Requirements

- Public Finances (Management) Act 1995 (PFMA)

34.2 Standards and Supporting Documentation

- IFMS Fixed Asset Training Manual
- Annual Physical Stocktake Instructions
- IPSAS 17 – Property, Plant and Equipment

34.3 Minimum Responsibilities

Departmental Heads must:

- Maintain a complete and current Asset Register.
- Ensure assets are protected, recorded, and maintained.
- Ensure annual stocktakes and quarterly asset reporting are completed.

Heads of Finance / Asset Managers must:

- Ensure assets are registered in IFMS.
- Maintain component and maintenance records.
- Update depreciation and asset values as per policy.

Receiving Officers must:

- Verify assets upon receipt and initiate registration.

Internal Audit must:

- Review asset records and stocktake compliance.

All Staff must:

- Safeguard assigned assets and report losses or damage immediately.

34.4 Mandated Policy

34.4.1 Asset Classification

1. Assets are registered if they exceed thresholds of:

- **K5,000** for general fixed assets;
- **K100,000** for intangible assets (e.g. software platforms).

2. Assets must be classified and determining these classifications are the responsibility of the department head and are specific to agency required. Assets are classified into classes and sub-classes to provide extra details, but at minimum agencies are required to use the following classes:

- Land and Land Improvements
- Buildings
- Cultural Heritage Assets
- Miscellaneous Equipment
- Transportation
- Plant & Machinery
- Tools and Equipment - A 'tool' is a portable, handheld device used to perform manual or mechanical work. Examples include a drill, shovel, saw, amongst others. In this instance, 'equipment' is the plural of 'tool'
- Roads
- Public Infrastructure
- For financial assets (the minimum classifications required for Financial Assets and Liabilities specified by the IMF)

3. Each asset category must include:

- Asset description and unique identifier

- Date of acquisition
- Unit and total cost
- Expected useful life
- Assigned officer/location
- Maintenance requirements and history
- Any known climate change vulnerabilities

34.4.2 Componentisation

4. Where assets contain components with different useful lives (e.g., HVAC systems in buildings), these must:

- Be recorded and tagged separately;
- Have distinct depreciation schedules;
- Be monitored individually for performance and maintenance;

34.4.3 Asset Maintenance

5. Preventive and corrective maintenance schedules must be maintained.

6. Maintenance history must be recorded in the register.

7. Assets that require calibration, certification, or regular service (e.g. medical or heavy plant) must have documented maintenance programs.

34.4.4 Use of IFMS and other asset management and registration systems

8. IFMS is the official system of record for all fixed assets.

- Agencies must use the IFMS Fixed Asset Module for:
 - Registration
 - Reporting
 - Transfers and disposals

9. Agencies may use supplementary systems where this ensures the better management of the assets (Where a secondary system is used, this is disclosed in the financial reports and the value of these assets are recognised in IFMS at least annually), such as:

- Land management systems
- Road asset and infrastructure databases
- Medical/pharmaceutical inventories
- Software license tracking

34.5 Losses and Discrepancies

10. All entities having possession of public assets are required to maintain a Register of Losses and Deficiencies (refer to FMM Volume 3 FMM 03.43).

34.6 Non-Mandatory Guidance

34.6.1.1 Stocktake Procedures

Each stock sheet shall be certified by two stocktaking officers that the actual inventory on hand is as shown on the stock sheet. The officer-in-charge of the establishment shall certify that:

- The stock balance has been checked with and is in agreement with the balances shown.
- Calculations, extensions, and costings have been checked and are correct
- Surpluses and deficiencies shown have been checked and are correct
- Inventory was conducted in accordance with prescribed procedures

At the completion of the inventory, the stock sheet shall be submitted to the Financial Delegate for decision to adjust the stock levels. If approved, the decision will be conveyed and the Asset Register will be adjusted accordingly.

Further Information	frcd@finance.gov.pg
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