KHYBER PAKHTUNKHWA

Fixed Asset Management

POLICY

2024

Health Department
Elementary and Secondary Education Department

GOVERNMENT OF KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT

Message from the Finance Minister

It is with great pride and a profound sense of responsibility that I present the Fixed Asset Management Policy for Khyber Pakhtunkhwa 2024, a landmark initiative underscoring our commitment to advancing public financial management and fostering sustainable economic growth in the province.

Fixed assets are fundamental to the province's public infrastructure and service delivery systems, serving as a cornerstone for socioeconomic development. Effective management of these assets is essential to ensure their longevity, optimize their value, and safeguard public resources. This policy establishes a robust, data-driven framework for the identification, maintenance, utilization, and disposal of assets, guided by the principles of transparency, accountability, and operational efficiency.

For the first time, this policy is complemented by comprehensive implementation guidelines, with a particular focus on critical sectors such as Health and Education. These guidelines are designed to reduce inefficiencies, enhance operational performance, and support data-informed decision-making related to asset allocation, repair, and maintenance. This initiative marks a pivotal step in setting new benchmarks for public resource management and improving service delivery outcomes.

I extend my deepest appreciation to the Finance Department, Planning and Development Department, Health Department, Education Department, and the KP Spending Effectively for Enhanced Development (KP-SPEED) project for their exceptional efforts in conceptualizing and developing this policy. Their unwavering dedication and expertise have been instrumental in creating a framework that reflects the government's vision for sound governance and service excellence.

As we move forward, I urge all stakeholders to embrace this policy and its implementation guidelines to ensure the responsible and efficient management of public assets. This policy is not only a testament to our commitment to fiscal prudence but also a strategic step toward building a transparent, accountable, and economically resilient governance framework. I am confident that it will set a benchmark for asset management in the public sector and contribute significantly to the development and prosperity of Khyber Pakhtunkhwa.

Mr. Muzzammil Aslam

Message from the Secretary Finance

In an era of evolving public service standards, effective and transparent fixed asset management is quintessential. After all, fixed assets form the bedrock of service delivery, ensuring effectiveness, efficiency, and equity across the board. The Fixed Asset Management Policy, tailored for the primary and secondary healthcare and education sectors of Khyber Pakhtunkhwa, underpins our commitment to excellence and accountability. Drawing inspiration from globally recognised standards such as International Organization for Standardization (ISO) 14224 and ISO 55000, this policy is the result of exhaustive research, stakeholder consultations, and our vision of a future-ready fixed asset management system.

As a matter of principle, the policy adopts its reporting framework for fixed assets from International Public Sector Accounting Standard (IPSAS) 17. This internationally recognised framework is then used as a foundation to elaborate on various areas of fixed asset management throughout the complete fixed asset life cycle.

For the healthcare sector, where the value of every fixed asset can directly impact the well-being of our citizens, this policy ensures that equipment, infrastructure, and resources are managed with the utmost precision. Every stethoscope, every bed, and every piece of medical equipment is crucial. Similarly, in our educational institutions, where young minds are nurtured, the management of fixed assets, ranging from chairs to buildings, plays a critical role in shaping the future of our province. Once a system of central recording has been successfully implemented, the data can be used to extract reports that provide invaluable information about the Health Department's and Elementary and Secondary Education Department's fixed asset base. These datasets establish accountability for the utilisation of fixed assets, allow us to determine the social return on assets, and enable robust budgeting.

As you navigate this document you will find that it is not just a set of policies but rather a blueprint for the future. While the general policies lay down the broad principles that will guide our actions, the specific policies provide detailed pathways, ensuring that every aspect of fixed asset management is addressed comprehensively.

This policy reflects our vision for a prosperous and progressive Khyber Pakhtunkhwa. We envision a province where fixed assets are not just managed but optimised, where every decision is data-driven, and where the twin pillars of transparency and accountability stand tall. This Fixed Asset Management Policy is a significant step towards achieving that vision, and we are confident that through its implementation we will set new benchmarks in public service delivery.

Mr. Amer Sultan Tareen

Message from the Project Director

This policy establishes a strategic framework for the effective management of fixed assets within the Elementary and Secondary Education Department (E&SED) and the Health Department, supporting the broader goal of public service improvement. Managing assets in these departments is a complex task that requires a well-defined approach. In response, the Government of Khyber Pakhtunkhwa has prioritized the creation of a comprehensive Fixed Asset Management Policy to streamline, standardize, and enhance asset management processes.

The policy applies to all tangible fixed assets under the jurisdiction of the E&SED and Health Department (excluding tertiary care hospitals), including assets within secretariat offices and frontline service delivery units. This encompasses equipment, infrastructure, vehicles, machinery, and related assets. It outlines the full asset lifecycle, from acquisition to disposal, ensuring that assets are managed efficiently and responsibly.

The core objective of this policy is to establish a strong foundation for asset management within the E&SED and Health departments, ensuring assets are acquired, utilized, maintained, and disposed of in a cost-effective and accountable manner. It emphasizes fiscal responsibility, transparency, and accountability, aiming to optimize asset use and maximize the value derived from these resources. By promoting efficient asset management, the policy supports the enhancement of service delivery, community impact, and fiscal performance, in line with the broader goal of improving citizens' well-being and quality of life.

This policy provides a clear and actionable framework for aligning asset management with Government of Khyber Pakhtunkhwa's strategic priorities. It aims to ensure consistent management practices, reduce risks, facilitate data-driven decision-making, and foster continuous improvement. By achieving these objectives, the Fixed Asset Management Policy will optimize asset utilization, ensuring maximum value and service efficiency for the communities served.
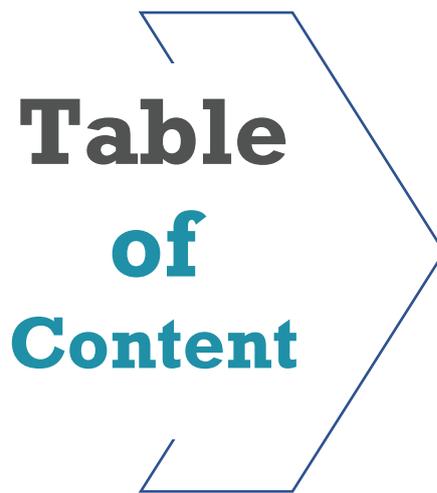
Ms. Gul Bano

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List of Abbreviations

AMIS   Asset Management Information System

CAMU   Central Asset Management Unit

DEO   District Education Officer

E&SED   Elementary and Secondary Education

FAM   Fixed Asset Management

IFAC   International Federation of Accountants

IFMIS   Integrated Financial Management Information System

IPSAS   International Public Sector Accounting Standards

ISO   International Organisation for Standardisation

IT   Information Technology

P&DD   Planning and Development Department

SAMP   Strategic Asset Management Plan

1 Introduction

Managing the assets within the Elementary and Secondary Education Department (E&SED) and Health Department presents a significant challenge. Recognising this, the Government of Khyber Pakhtunkhwa has prioritised the development of a Fixed Asset Management Policy. The policy is a strategic instrument designed to streamline, standardise, and enhance the management of fixed assets across E&SED and Health Department. The policy is not just about cataloguing fixed assets: it is also about ensuring that every asset, from equipment to infrastructure, is efficiently utilised, maintained, and accounted for. A well-orchestrated Fixed Asset Management Policy can significantly improve service delivery by promoting optimal resource allocation, transparent operations, and informed decision-making. For Khyber Pakhtunkhwa, this policy will serve as a foundation for excellence, fostering an environment where assets contribute directly to the betterment of services provided to the public.

1.1 Scope

This policy applies to all tangible fixed assets under the mandate of the provincial E&SED and Health departments (excluding tertiary care hospitals) in Khyber Pakhtunkhwa. It encompasses fixed assets within **these departments' secretariat offices and frontline service delivery units**, including but not limited to equipment, infrastructure, vehicles, and machinery. The policy outlines the processes from acquisition, recording, maintenance, and utilisation, to transfer/disposal of these fixed assets. All personnel involved in the management, operation, and oversight of these fixed assets are expected to adhere to the guidelines and procedures stipulated within this policy framework.

1.2 Purpose

The primary purpose of this policy is to establish a robust foundation for the effective implementation of a comprehensive fixed asset management system within the ES&ED, and Health Department, of Khyber Pakhtunkhwa. This policy is therefore designed to guide the development and subsequent implementation of detailed Fixed Asset Management Guidelines, to ensure that all assets are acquired, utilised, maintained, and retired in an efficient and effective manner.

Furthermore, the policy underscores the importance of fiscal responsibility, transparency, and accountability. By having a well-defined policy in place, the Government of Khyber Pakhtunkhwa intends to set the stage for the development of a robust system that will monitor, control, and optimise the use of its fixed assets.

In essence, this policy is a proactive step towards ensuring that the Government of Khyber Pakhtunkhwa's investments in fixed assets yield the highest possible returns in terms of service delivery, community impact, and fiscal efficiency, towards the overarching mission of improving the well-being and living standards of the province's citizens.

1.3 Objectives of the Policy

The purpose of the Fixed Asset Management Policy is to provide a clear, actionable, and measurable framework that governs the acquisition, utilisation, maintenance, and disposal of

fixed assets within the E&SED and Health Departments of Khyber Pakhtunkhwa. This policy sets forth specific criteria and standards to:

- Ensure that the fixed assets align with and support the strategic goals of the Government of Khyber Pakhtunkhwa, particularly with regard to enhancing the quality of public services;

- Establish a unified system that ensures consistency in the management of fixed assets across the E&SED and Health departments and respective frontline service delivery units;

- Promote accountability and transparency by defining roles and responsibilities at every level of fixed asset management;

- Reduce fixed asset management risks to an acceptably low level, from the current state, thereby minimising potential losses and improving system resilience;

- Enable data-driven decision-making through the implementation of a centralised fixed asset recording and reporting system;

- Foster an environment of continuous improvement by regularly reviewing and updating the policy in line with evolving needs and global best practices; and

- Facilitate the development of guidelines and procedures for operationalising the principles outlined in this policy.

By achieving these objectives, the Fixed Asset Management Policy will act as a catalyst for transforming the way assets are managed, ensuring maximum value derivation and service optimisation for the communities served.

2   Fixed Asset Management Framework

The Fixed Asset Management Framework for Khyber Pakhtunkhwa is a cornerstone of efforts to realise policy objectives pertaining to fixed assets within the E&SED and Health departments. This framework will ensure the institutionalisation and sustainability of the Fixed Asset Management Policy by translating it into tangible results. Comprising three pivotal pillars – governance, technology integration via the Asset Management Information System (AMIS), and
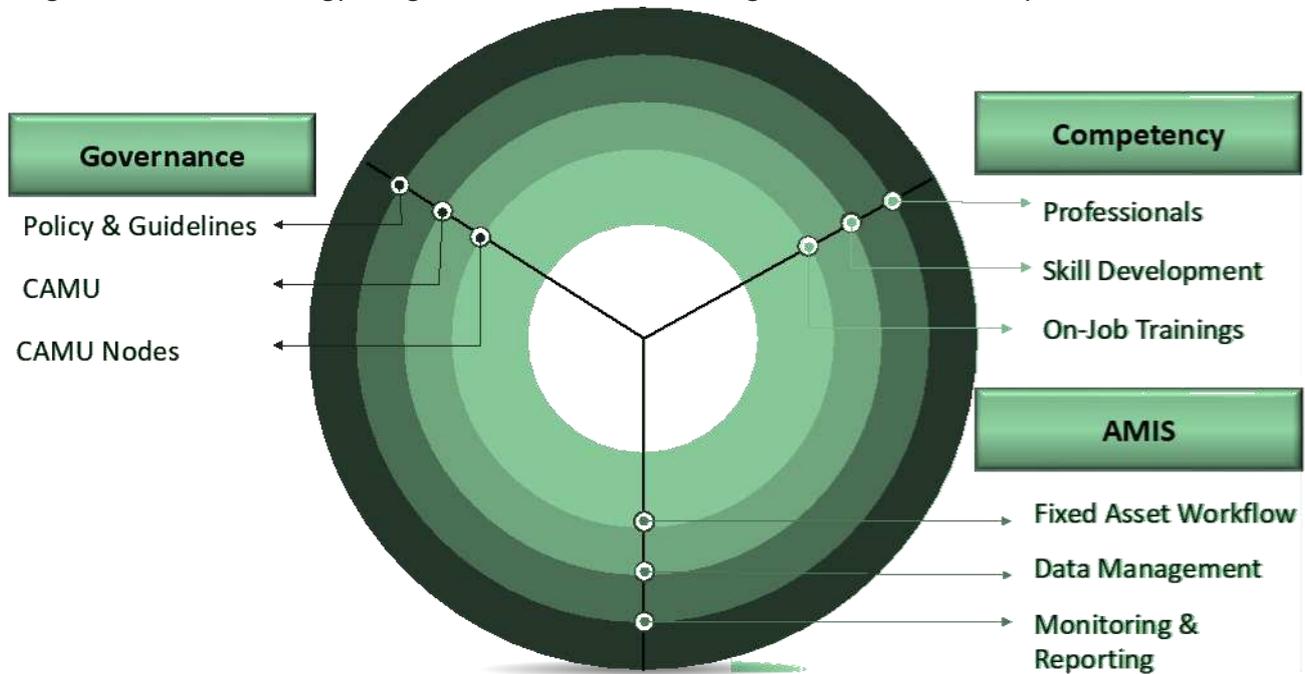
Figure 1 Fixed Asset Management Framework

capacity building – the framework is designed to maximise the utility, longevity, and value derived from assets. These pillars not only facilitate optimal utilisation and maintenance of assets but also their effective lifecycle management. With this framework in place, the E&SED and Health departments will be better positioned to deliver the highest standards of service, reflecting the Government of Khyber Pakhtunkhwa's commitment to excellence, transparency, and accountability in fixed asset management.

2.1 Pillar 1: Governance Arrangements

In alignment with the commitment to ensure consistent and effective fixed asset management, this policy mandates the establishment of a cohesive governance structure that extends from the provincial level to the district level, and that further encompasses the facility level. This structure is designed to clearly define roles, allocate responsibilities, and institute robust reporting mechanisms for all stakeholders.

The Central Asset Management Unit (CAMU), anchored within the Planning and Development Department (P&DD), will serve as the governance nexus. CAMU's primary duties will include the periodic revision and updating of the Fixed Asset Management Policy, in addition to producing strategic reports that guide informed decision-making *(see Annex 5).*

To cater to the distinct fixed asset management requisites of the E&SED and Health departments, specialised branches or 'nodes' of CAMU will be embedded within their respective provincial secretariats. These branches will act as facilitators, ensuring tailored fixed asset management strategies are aptly executed in the E&SED and Health departments. The overarching responsibility for steering the system will reside with the Principal Accounting Officers of these departments. To ensure grassroots effectiveness and to cater to regional nuances, these provincial nodes will be extended to district-level offices. The CAMU structure is presented in *Annex 5*.

2.2 Pillar 2: Asset Management Information System (AMIS)

For the effective management of fixed assets, the implementation of an AMIS is recognised as an essential policy measure. Serving as a centralised platform, the AMIS will be intricately designed to streamline the acquisition, utilisation, and maintenance of assets. By adopting a phased approach to the AMIS's deployment, the system will holistically cover the entire fixed asset lifecycle, thereby instilling a culture of transparency, consistency, and accountability. Such an integrated approach will position the E&SED and Health departments to deliver services at optimal levels, fulfilling the broader intentions of this policy.

At the heart of this pillar is the development of a fixed asset register. When harmoniously integrated with the AMIS, the register will ensure foundational and real-time fixed asset management.

In order to ensure the accuracy and reliability of the data, periodic data verification, in the form of stock-takes, will be mandated. This cohesive approach to data management is essential for optimising resource utilisation, paving the way for a data-driven approach to fixed asset management, and aligning with international benchmarks like IPSAS[1] 17.

2.3 Pillar 3: Competency Strengthening

Under the overarching Fixed Asset Management Framework for Khyber Pakhtunkhwa, a focused commitment to capacity building is mandated at all administrative layers. Acknowledging the crucial roles of the district and provincial levels in fixed asset management, it is essential to equip these tiers with the requisite expertise, particularly in utilising technology platforms such as AMIS. To ensure a holistic approach to capacity building, the Fixed Asset Management Policy recommends the augmentation of traditional training methods with tailored continuous professional development programmes, hands-on training, and the establishment of an accessible digital resource centre.

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[1] IPSAS are developed and promoted by the International Public Sector Accounting Standards Board (IPSASB). IPSASB develops accounting standards and guidance for use by public sector entities. The structures and processes that support the operations of IPSASB are facilitated by the International Federation of Accountants (IFAC).

3   Guiding Principles

In the realm of effective fixed asset management, guiding principles serve as the bedrock, outlining the overarching directives that govern the management and optimisation of assets. These principles provide the broad strokes, setting the strategic direction for all asset-related activities and decisions. While the subsequent specific policies will delve deeper into the nuances of areas or issues, it is these principles that set the tone, ensuring consistency, clarity, and coherence in the approach across all levels of administration. Together, the guiding principles and policies encapsulate the entirety of the Fixed Asset Management Policy, ensuring a comprehensive, well-structured, and holistic framework for asset management.

3.1   Compliance with Laws

The Fixed Asset Management Policy for Khyber Pakhtunkhwa is explicitly compliant with existing laws, rules, and regulations. It conscientiously adopts the requirements of the Khyber Pakhtunkhwa Public Financial Management Act 2022, respects the authority structures set out in the Delegation of Power 2018, follows the financial handling guidelines provided by the General Financial Rules and the Accounting Policies and Principles Manual, and embraces best practices that exceed the minimum statutory requirements.[2] This approach reflects a thorough understanding of and adherence to the regulatory environment, while simultaneously pursuing excellence in asset management practices.

3.2   Fixed Asset Risk Management

All decisions concerning fixed asset management shall be underpinned by comprehensive evaluations of both inherent risks and anticipated economic benefits. This means ensuring that assets, from infrastructure to equipment, are managed in ways that consider potential challenges, like wear and tear or technological obsolescence, as well as the positive value these assets can bring in terms of efficient service delivery and long-term economic and societal gains (see Annex 2).

3.3   Quality Standards

Asset management is not only about maintaining and accounting for fixed assets, it is also intrinsically linked to ensuring that the quality of services provided through these fixed assets meets the established benchmarks. Every asset-related decision, whether it pertains to acquisition, maintenance, or disposal, should be made with the goal of meeting or exceeding these standards.

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[2] To maintain the highest standards of compliance and efficiency, it is essential that the existing rules and regulations undergo periodic reviews, particularly concerning the Delegation of Financial Powers Rules 2018 and the General Financial Rules. This process of review will ensure that any updates or changes in these foundational documents are fully integrated into the Fixed Asset Management Framework. It will also provide an opportunity to align the existing rules and regulations with the advancements and evolving best practices in asset management.

3.4 Expected Service Level (Future Needs)

All decisions related to the acquisition, replacement, refurbishment, and disposal of fixed assets shall be made by factoring in anticipated future service needs of the communities served. This approach will involve a holistic assessment of the lifecycle costs, inherent risks, and the expected lifespan of these assets. Whether it is equipment or infrastructure, decisions will prioritise the needs of the population, ensuring sustainable and cost-effective asset management that aligns with the province's commitment to service delivery outcomes.

3.5 Fixed Asset Operations

All assets shall be operated with the utmost discipline and precision. This means that equipment and infrastructure will be utilised optimally, ensuring they serve their intended purpose efficiently while upholding the highest standards of service delivery.

3.6 Fixed Asset Maintenance

All fixed assets will be maintained rigorously to ensure they consistently meet operational requirements throughout their anticipated lifespan. Regular preventive maintenance, timely repairs, replacement of parts/ components, and routine inspections will be instituted to ensure assets' durability and reliability. The Principal Accounting Officers of the E&SED and Health departments will ensure the allocation of sufficient resources, both human and financial, to achieve/maintain the standard service delivery level of assets. This commitment will ensure that facilities have the necessary tools, personnel, and funds to manage their assets effectively, leading to sustained service delivery.

3.7 Regular Evaluation

Continuous improvement principles will be ingrained in the fixed asset management processes. Regular reviews, feedback mechanisms, and performance evaluations will be undertaken to identify areas of improvement, innovate solutions, and elevate the standards of fixed asset management, ensuring service delivery facilities in Khyber Pakhtunkhwa remain at the forefront of service excellence.

4 Policy Actions

The policy actions outlined below delve into the intricate details of asset management, addressing distinct areas and unique challenges. Tailored to ensure precision and clarity, these policy actions complement the broader directives of the guiding principles, offering clear guidelines and actionable steps for specialised scenarios within the Fixed Asset Management Framework.

The following policy actions will be adopted to enhance fixed asset management in the E&SED and Health departments:

4.1 Fixed Asset Planning and Budgeting

- A comprehensive Strategic Asset Management Plan (SAMP) will be developed for the E&SED and Health department to identify long-term infrastructure needs, investment priorities, and asset lifecycle management strategies, while conducting regular needs assessments to adapt to demographic changes and evolving standards.

- The SAMP will be integrated into a robust capital budgeting process, with clear guidelines for capital project proposals, reviews, and approvals.
- Financial sustainability will be ensured by allocating funds based on prioritised asset needs, aligning with strategic objectives, and exploring diverse financing mechanisms, including public–private partnerships, grants, and loans, to complement government funding.

4.2 Fixed Asset Acquisition

- A detailed and systematic acquisition process for fixed assets will be evolved by adopting guidelines from recognised standards, such as ISO 55000 on asset management, which emphasises the importance of a systematic, structured approach to the acquisition of assets that begins with the critical collection of essential data at the point of acquisition. This process involves the precise documentation of each asset's type, intended purpose, ownership details, initial acquisition value, anticipated useful life, and a distinctive asset identification code. The aim of this policy action is to ensure that every asset is thoroughly documented and registered from the outset. This foundational step is crucial for the asset's seamless integration into the organisation's fixed asset management system, enabling efficient and comprehensive tracking, management, and reporting throughout the entire lifecycle of the asset.

4.3 Fixed Asset Classification

- Structured fixed asset classification will be introduced to establish a unified and globally aligned fixed asset management system. This structure will be crafted to seamlessly integrate with the AMIS *(see Annex 6)*.

4.4 Fixed Asset Registers

- Fixed asset registers will be established and maintained at the E&SED and Health departments' secretariat offices, district offices, and frontline service delivery facilities within the jurisdiction of Khyber Pakhtunkhwa. Developed based on the foundation of the Fixed Asset Classification, each fixed asset register should comprehensively document all fixed assets present at the facility. This register shall serve as a single point of reference for all assets, promoting uniformity and clarity in asset management across all facilities within the E&SED and Health departments. A designated official at the facility level will update the fixed asset register regularly, ensuring that any changes, acquisitions, disposals, or maintenance activities are accurately recorded.
- A centralised system at the district level will be established to consolidate fixed asset registers from individual facilities. This system should facilitate the aggregation of data and provide oversight to ensure consistency and accuracy.
- A comprehensive fixed asset register at the provincial level will consolidate information from the district-level registers. This centralised register will serve as the master database for all fixed assets within E&SED and Health in Khyber Pakhtunkhwa.
- CAMU will oversee the maintenance and management of the provincial fixed asset register. CAMU will be responsible for coordinating with district-level managers, conducting periodic audits, and ensuring compliance with the Fixed Asset Management Policy.

- Technological solutions for the AMIS will be established to streamline the documentation process for fixed assets. The digital AMIS will facilitate real-time tracking and efficient monitoring of asset utilisation throughout its lifecycle.

4.5 Fixed Asset Accounting

- In alignment with IPSAS 17, effective accounting plays a foundational role in seamlessly translating operational data related to fixed assets into a coherent financial framework. Such a translation is integral for driving value-based decisions pertaining to budgets, repairs, maintenance, and asset disposal strategies. To ensure this, CAMU at P&DD is mandated to align accounting principles with the province's broader goals of transparency, efficiency, and financial prudence in fixed asset management.

4.6 Fixed Asset Reporting

- The Principal Accounting Officers, district heads, and facility managers will maintain a transparent fixed asset reporting system. This reporting system will foster a structured, consistent, and transparent approach to fixed asset management that aligns with regulatory requirements and supports informed decision-making across all levels of the departments.

4.7 Establishment of AMIS and its Integration with the Financial Accounting and Budgeting System (IFMIS)

- The AMIS will serve as the official platform for maintaining assets registers within the E&SED and Health departments.
- The AMIS will be institutionalised across various units, offices, and facilities at the E&SED and Health departments by providing appropriate and secure access rights.
- A mobile application version of the AMIS will also be developed and deployed to enhance accessibility and convenience.
- The Government of Khyber Pakhtunkhwa will approach the Controller General of Accounts to review and evaluate options for the configuration and integration of the fixed asset module within the existing SAP R/3 system. This integration shall allow for seamless communication between AMIS and the financial accounting and budgeting system within SAP R/3 and shall aid in providing a consolidated view of financial and asset data, fostering transparency, accountability, and real-time financial reporting on fixed asset management. The integration shall also aid in capturing the complete lifecycle of assets within the provincial jurisdiction, from acquisition to disposal.

4.8 Control and Maintenance

- CAMU, in collaboration with the E&SED and Health Departments, will develop and implement a comprehensive Asset Condition Protocol to regularly update the condition of assets within the fixed asset management system.
  - The Asset Condition Protocol shall prompt appropriate responses for scheduled and ad-hoc repairs and maintenance activities.
    - This protocol is necessary to prompt the creation of budgetary requirements for the repairs and maintenance, based on the updated and real-time condition of the assets.

- This will also trigger scheduling and execution of necessary repairs and maintenance to ensure asset functionality and longevity.

4.9 Transfers and Disposal

- CAMU, in collaboration with the E&SED and Health departments, will develop and implement Asset Transfer Protocols that outlines clear procedures for the internal transfer of fixed assets within the department. The roles and responsibilities of relevant personnel involved in the asset transfer process shall be defined clearly to ensure accountability and transparency.
- CAMU shall specify criteria for assessing the appropriateness of asset transfers, considering factors such as the operational needs of different units and the condition of the assets.

4.10 Upgradation

Fixed asset management under the policy will evolve from the current status towards full convergence with international standards. Convergence towards international standards in terms of ISO 55001 and compliance with IPSAS accounting requirements will remain a central theme for this policy and its stakeholders.

S.P1. The Department of Health and Elementary and Secondary Education of Khyber Pakhtunkhwa will be subjected to fixed asset management health checks that will focus on the maturity of the overall asset management policy under this policy and the extent of its practical application.

S.P2. The health check will use result-oriented criteria to gauge various aspects of fixed asset management. It will cover strategy, planning, financial forecasting, operations, governance, data and policy requirements in the context of fixed asset management. It is imperative that the health check will indicate the maturity level its conclusion and will provide recommendations for enhancing the maturity level.

S.P3. Health checks shall be scheduled at least once every five years.

4.11 Periodic Evaluation of Financial Limits and Capitalisation Thresholds

This policy entrusts CAMU to ensure the province's fiscal prudence and operational efficiency with respect to fixed asset management in the province. This will be achieved by methodically analysing repair and maintenance costs across diverse categories, such as medical equipment, building upkeep, and computer repairs, and by periodically recalibrating the asset capitalisation threshold, as briefly outlined below.

- CAMU, after a comprehensive review of the financial limits stipulated in the Delegation of Financial Power Rules 2018, particularly focusing on the boundaries set for Category 3 and Category 4 officials, will develop a proposal for Finance Department to adjust these financial limits, ensuring they are reflective of the current economic landscape and the true costs of repair and maintenance in the E&SED and Health departments. This revision should account for both minor routine maintenance and major repair requirements and shall:

- consider the ongoing inflation rate, the real-world repair costs of critical medical and IT equipment, and the significant expenses associated with larger infrastructural projects when recalibrating these financial limits; and
- ensure that the revised limits empower officials, especially those managing facilities at the grassroots level, with the necessary financial autonomy to expedite repair and maintenance processes, guaranteeing uninterrupted and efficient service delivery.

- For the sustained integrity and accuracy of fixed asset recording, CAMU is mandated to periodically adjust the capitalisation limits based on experience, evolving economic conditions, and the dynamic management information needs of the E&SED and Health departments. This proactive approach will ensure that assets are consistently documented and managed efficiently.

4.12 Local Government

In the context of the Fixed Asset Management Policy, District Education Officers (DEOs) will play a pivotal role in ensuring the effective and efficient management of fixed assets across primary, middle, secondary, and higher secondary education institutions, reflecting the devolved nature of education. As the key liaison between educational institutions and the E&SED, the DEOs will be responsible for implementing the Fixed Asset Management Policy and guidelines at the district level, ensuring that schools adhere to standardised procedures for the acquisition, use, maintenance, and disposal of fixed assets. This includes overseeing the preparation and execution of asset management plans, coordinating needs assessments to identify infrastructure gaps, and ensuring that investments in fixed assets are aligned with educational objectives and community needs. The DEOs will also facilitate the allocation and monitoring of budgets for fixed assets, advocate for necessary funding, and ensure compliance with procurement regulations to achieve transparency and value for money. Furthermore, the DEOs are tasked with maintaining an up-to-date inventory of fixed assets within the districts' schools, promoting the effective utilisation of resources, and overseeing the maintenance and upgrading of educational infrastructure to enhance the learning environment.

5 Implementation Framework

Implementation of the Fixed Asset Management Policy requires a structured, collaborative project management approach. This involves the formation of a Steering Committee for high-level governance, Sectoral Implementation Committees for detailed sectoral planning, and a dedicated team for day-to-day execution. The focus is on leveraging internal capabilities, ensuring sustainability, and adapting strategies to the province's unique context.

5.1 Institutional Arrangements

5.1.1 Steering Committee

The Steering Committee, led by the P&DD, will serve as the central hub for oversight and strategic direction. Comprising key stakeholders, it will be responsible for making strategic decisions, monitoring progress, allocating resources, and ensuring accountability. Regular communication channels will be maintained with relevant departments, and the committee will remain active until the complete implementation of the Fixed Asset Management Policy.

5.1.2 Sectoral Implementation Committees

Parallel to the Steering Committee, Sectoral Implementation Committees shall be established within the E&SED and Health departments. Spearheaded by the CAMU, these committees will provide sector-specific insights and support to the Steering Committee, ensuring a tailored approach for policy implementation.

5.1.3 Central Asset Management Unit (CAMU)

The CAMU is responsible for the effective operationalisation of this policy. The CAMU will include specialists in finance, asset management, IT, data management, training, change management, legal compliance, and communication. The team's scope of work covers project planning, customisation, testing, deployment of the AMIS, data management, training, change management, and ongoing maintenance and support to the E&SED and Health departments in implementing the reforms under this policy.

Annex 3 provides details of the implementation framework.

5.2 Capacity Building

The government shall put in place a training and capacity building programme to enable officials at provincial, district, and facility levels to smoothly implement the policy.

The Finance Department, in coordination with the respective E&SED and Health departments, shall carry out detailed training needs assessments (at different levels, especially for district- and facility-level managers) and design and implement a robust training and capacity building programme specific to the policy needs. Fixed asset management trainings shall be made part of induction and continuous professional development courses. Overall, a comprehensive training and capacity building plan and its timely roll-out will be necessary for the implementation of this policy.

5.3 Policy Review

This policy may be reviewed to ensure its effectiveness and relevance in future.

ANNEXURE I – GLOSSARY OF TERMS USED IN THIS POLICY

In the context of this policy document, it is essential to establish a clear understanding of certain key terms and concepts. The following definitions aim to provide clarity and ensure uniform interpretation across all stakeholders involved in fixed asset management:

	Term	Definition
i.	Asset condition alteration:	An event or condition leading to a deviation in an asset's original state. This may result from asset transfers, wear and tear, an asset reaching the end of its useful life, theft, or any damage leading to functional impairment.
ii.	Asset disaggregation level:	The granularity level at which multi-component assets are broken down for recording purposes.
iii.	Asset lifecycle:	The entire course of an asset's life from acquisition to disposal.
iv.	Asset recipient:	The designated individual entrusted with the asset for job-related purposes.
v.	Asset's value in use:	The current valuation of an asset's anticipated future utility (present value of future associated benefits).
vi.	Assets:	Encompass fixed, controlled, and intangible assets that contribute to operational functions over time.
vii.	Capitalisation threshold:	A specified monetary benchmark determining the classification of an asset. Assets valued below this threshold will not be treated as fixed assets even if their beneficial lifespan exceeds 12 months.
viii.	Central Asset Management Unit (CAMU):	A dedicated unit within P&DD with nodes extended to E&SED and Health departments responsible for comprehensive asset management. Members of CAMU are designated as 'asset managers', encompassing all hierarchical personnel within the provincial service delivery systems.
ix.	Depreciation:	The systematic allocation of the depreciable amount of an asset over its useful life.
x.	Directly attributable costs:	Costs directly associated with bringing an asset to its intended operational state. These encompass employee benefits, site preparation, delivery, installation, testing, and professional fees.
xi.	Disaggregation criteria:	Guidelines dictating the level of detail for asset recording, considering factors like replacement duration and component value.

xii.	Disposal of assets:	The process of discarding, selling, or relinquishing assets that are no longer deemed useful or necessary for operations.
xiii.	Fixed assets:	Expenditures leading to benefits with a lifespan extending beyond 12 months from their operational readiness date.
xiv.	Impairment:	The loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation/ amortisation.
xv.	Intangible assets:	An intangible asset is an identifiable, non-monetary asset without physical substance. Intangible assets are recognised in accounting if they bring probable future economic benefits to the entity and can be measured reliably (e.g. copyright, a patent, proprietary software).
xvi.	Owner of assets:	For all effective purposes, 'owner' shall mean the head of the department under whose charge that asset has been made available, notwithstanding whether that person is a direct beneficiary of the asset.
xvii.	Transfer of assets:	The process of relocating assets from one department, location, or individual to another while retaining ownership and accountability within the organisation.

ANNEXURE II – FIXED ASSET MANAGEMENT: BASELINE ANALYSIS AND RISK ASSESSMENT

This Fixed Asset Management Policy is grounded in a combination of analytical research and stakeholder discussions, including first-hand evaluations conducted at various facilities. These explorations revealed pivotal system gaps and risks, informing the development of a policy that was designed to mitigate these risks within three years. This dual risk profile (the current risk profile and the desired risk profile) will enable the government to measure progress and the effectiveness of policy implementation, detailed further in comprehensive risk analysis reports.

1. Fixed asset system gap matrix

Fixed asset system area	Gap	Risk
⇒ **Fixed asset register**	Lack of standardised guidelines leads to varied practices	Misguided decision-making, misallocation, inaccurate reporting
⇒ **Asset categorisation**	No systematic approach to categorisation hinders tracking and resource allocation	Inefficiencies and oversight of crucial assets
⇒ **Asset physical tagging**	Asset tracking and management	Asset mismanagement and inaccurate record-keeping
⇒ **Depreciation policy**	Lack of guidelines on asset depreciation	Inaccurate financial reporting and misaligned budgeting
⇒ **Repair and maintenance**	No policies for regular maintenance and inadequate budgeting	Asset degradation and compromised service delivery
⇒ **Planning – need analysis**	Lack of structured and needs-based planning approach	Resource wastage and hindered operational capabilities
⇒ **Disposal and lifecycle management**	Absence of streamlined disposal process and lifecycle management guidelines	Inefficiencies and financial wastage
⇒ **Capacity and training**	Need for robust training and capacity-building measures	Mismanagement and failure to adhere to best practices
⇒ **Governance and oversight**	Weak governance structure and need for fixed asset management	Mismanagement and lack of accountability
⇒ **External support and collaboration**	No process to account for and manage external asset contributions	Duplication, mismanagement, and compliance issue

2. Fixed asset management risk analysis

Fixed asset register (FAR); asset categorisation (AC); asset physical tagging (APT); depreciation policy (Dpe); repair and maintenance (RM); connectivity and technology (CTe); planning – need analysis (PL); disposal and lifecycle (DP); capacity and training (CTg); governance and oversight (GO); external support and collaboration (ES)

The risk assessment for the fixed asset management system in Khyber Pakhtunkhwa elucidates the core challenges and the potential risks they pose. It identifies the lack of a consolidated fixed asset register as a critical gap, which heighten the risk of asset mismanagement. To address this, the policy mandates the creation of a comprehensive fixed asset register, which would mitigate risks related to asset tracking, valuation inconsistencies, and reporting inaccuracies. Governance and oversight emerge as another significant area of risk, underscored by three underlying issues: decentralised control, insufficient oversight mechanisms, and lack of strategic alignment, all of which the policy aims to counter by establishing robust governance structures.

The absence of standardised asset classification presents further risks, including misallocation, misidentification, and misuse of assets, while the implementation of asset physical tagging is set to alleviate risks by enabling precise asset tracking, reducing loss, and deterring theft. Repair and maintenance practices are currently inadequate, which leads to accelerated asset depreciation and service delivery challenges; hence, the policy introduces structured repair and maintenance protocols to curtail these risks.

This Fixed Asset Management Policy is based on two foundational components: the implementation pillars—governance, technology, and competency—that provide the groundwork for effective policy adoption, and the policy actions that directly target and rectify identified system gaps. Together, these components are engineered to transform the fixed asset management landscape by significantly diminishing the risks associated with asset management, thereby ensuring service delivery remains uncompromised and assets are efficiently managed.

ANNEXURE III – FIXED ASSET MANAGEMENT IMPLEMENTATION FRAMEWORK

1. Project Management

Implementation of fixed asset management requires a structured, collaborative project management, involving several dedicated groups. The establishment of a Steering Committee marks the first step in project management strategy, setting the stage for high-level governance and strategic oversight. This group's responsibility is to guide the project in alignment with overarching organisational objectives and to ensure that implementation stays on course to meet its targets. Following this, an Implementation Committee is formed to tackle the intricacies of planning and managing the execution phases, turning broad strategies into detailed action plans. Lastly, the Project Team, comprising adept personnel, is mobilised to carry out these plans, adapting the implementation strategy to the province's unique context, with a focus on sustainability and long-term efficacy. Together, these groups create a comprehensive structure for implementation, with each layer playing a pivotal role in the successful realisation of the project's goals.

The project management, while mindful of the need for external technical assistance in certain aspects, primarily concentrates on leveraging internal capabilities to drive the policy forward. This ensures that the solutions implemented are not only well-adapted to the province's unique needs but are also sustainable and effectively utilised long after the initial implementation phase.

2. Steering Committee

To guide the intricate process of implementing the Fixed Asset Management Policy, the establishment of a Steering Committee is paramount. This committee will serve as the central hub for oversight, strategic direction, and ensuring the fluid progression of the implementation stages. Comprising the P&DD, the Finance Department, the Accountant General of Khyber Pakhtunkhwa, representatives from the E&SED and Health departments, the Project Director of the Khyber Pakhtunkhwa Revenue Mobilisation and Public Resource Management Programme (KPRMP), the Project Director of KP SPEED, and the Head of the CAMU (as the coordinating arm), the committee embodies a coalition of expertise and authority.

The terms of reference for the Steering Committee encapsulate critical functions, such as making strategic decisions, monitoring progress, identifying and eliminating bottlenecks, ensuring accountability in performance, and overseeing key decisions such as the development and procurement of the AMIS. Furthermore, the committee is charged with crucial responsibility for guaranteeing that sufficient resources are allocated and available for the steadfast execution of the policy, and for setting ambitious yet achievable targets and timelines.

The Steering Committee shall report to the Cabinet and maintain a regular communication channel with the Controller General of Accounts, the Finance Department, and the P&DD. The committee will meet periodically or as required by the pace and demands of the implementation

process. The Steering Committee will remain active until the implementation of the Fixed Asset Management Policy has been completed, after which it's continued necessity will be evaluated.

3. Implementation Committee

Parallel to the Steering Committee, an Implementation Committee consisting of appointed focal persons within the E&SED and Health departments will also be established. The Implementation Committee shall be led by the Principal Accounting Office. This committee's mandate is to provide sector-specific insights and support to the Steering Committee, facilitating a tailored approach to the implementation across different sectors and ensuring that sectoral nuances are appropriately addressed. The collaboration between the two committees aims to foster a cohesive and unified effort towards realising the goals set forth by the Fixed Asset Management Policy.

4. CAMU

The Project Team is the operational body responsible for the day-to-day activities associated with the implementation of the Fixed Asset Management Policy and the AMIS. The Project Team may either be a firm that is hired and specially contracted for the implementation process or it may be composed of professionals individually hired specifically for the purpose of executing the Fixed Asset Management Policy and AMIS, or persons deputed from Implementation Support Unit wing of the Finance Department and the Provincial Internal Audit Cell of the Finance Department. No matter what route is preferred by the Steering Committee, this team will be a dedicated group of professionals tasked with the execution of plans, adherence to timelines, and delivery of outcomes as per the strategic direction set by the Steering Committee.

Composition:

- Project Manager: Leads the team and ensures that project goals are met.
- Finance and Asset Management Specialists: Provide expertise in fixed asset accounting and management.
- IT Systems Analysts: Focus on the technical aspects of the AMIS, including system requirements and integration.
- Data Managers: Handle the collection, validation, and migration of fixed asset data.
- Training Coordinators: Develop and implement training programmes for end users.
- Change Management Specialists: Facilitate a smooth transition to new processes and systems.
- Legal Advisers: Ensure compliance with legal and regulatory requirements.
- Communication Officers: Manage internal and external project communications.

Scope of work:

- Develop and maintain comprehensive project plans.
- Coordinate activities across different functions and ensure alignment with the overall strategy.
- Lead the customisation, testing, and deployment of the AMIS.

- Ensure seamless integration of the AMIS with existing systems and processes.
- Oversee the collection, verification, and uploading of legacy data into the AMIS.
- Establish data standards and ensure data integrity throughout the system's lifecycle.
- Design and deliver training modules for stakeholders.
- Develop and execute a change management plan to address human and cultural aspects of change.
- Facilitate workshops, seminars, and other activities to promote buy-in and adoption of AMIS.
- Establish a maintenance plan for the system, including regular updates and improvements.
- Implement quality control measures throughout the project lifecycle.
- Identify and assess project risks.
- Maintain active engagement with all stakeholders.
- Prepare and deliver regular progress reports to the Steering Committee.
- Document all aspects of the project for transparency and future reference.
- Monitor project expenditures and ensure alignment with the approved budget.
- Work with legal advisers to address any compliance issues that arise.
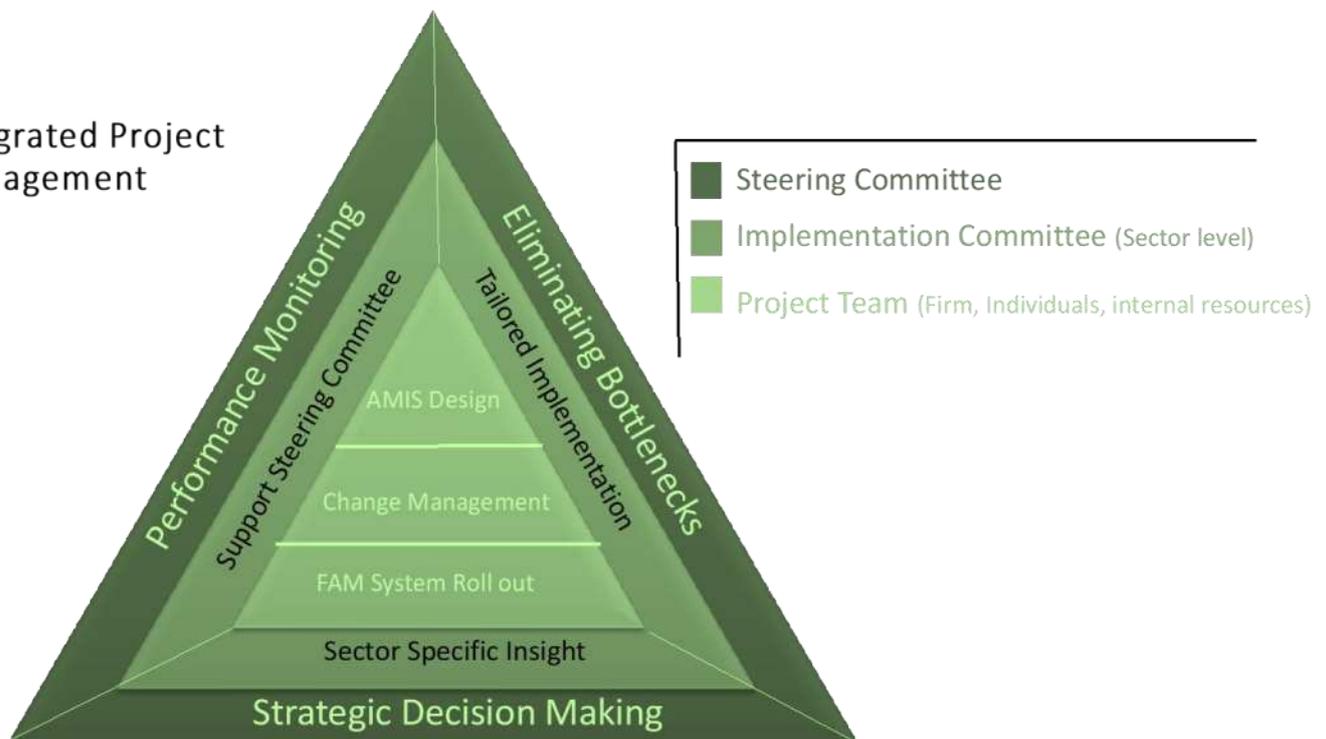
ANNEXURE IV – INDICATIVE TIMELINES FOR IMPLEMENTATION OF FIXED ASSET MANAGEMENT SYSTEM

Legend:
- Technological Internevtions
- C — Recommend Completion Timeframe
- Process Interventions
- Policy and Documentation Reviews
- ▲ Milestone

Indicative Implementation Road map of fixed asset management policy, guidelines and asset management information system	FY 2023/2024	FY 2024/2025
Activities/Milestone	Nov Dec Jan Feb Mar Apr May Jun	Jul Aug Sep Oct Nov Dec Jan Mar Apr

Acceptance of Policy by KP SPEED

Implementation of institutional set up for fixed asset management

- **Discussion with WB, Secretary Finance, Health, Education, AG KP and other relevant stakeholders**
- *Approval of Policy by Cabinet*
- *Approval of Guidelines by PAO of health and E&SED*
- *Notification of designated asset managers in health and E&SED*
- *Notification and setting up of Central Asset Management Unit at P&DD (including staffing & hardware)*
- *Dissemination of policy and guidelines and capacity building plan for relevant staff of DoH & E&SED*

Rollout of AMIS

- Formal Stakeholder Buy-in
- Steering Committee Formation
- Project Management Team Selection (Contracted to firm or formation of internal team)
- Detailed Requirements Documentation & RFP Development
- Procurement Process (software supplier onboard)
- Development / Configuration (in case of Off-the-shelf)
- Testing & Training (acceptance test passed)
- **Preparation and Pilot in selected Districts**
- Project Stage Gate Review
- Rollout

Review, Revision and update of APPM, KP Delegation o Powers 2018, KP GFR

Fixed Asset module of SAP review to assess functionality and potential for integration

AMIS documentation and training material

includes training manuals, Documentation of configured processes, Approval hierarchies, Implemented modules etc.

ANNEXURE V – CAMU STRUCTURE

To ensure effective and consistent asset management, a unified structure spanning the provincial, district, and facility levels is imperative. This structure will serve as the backbone for delineating clear roles, responsibilities, and reporting mechanisms for all involved stakeholders. Central to this structure will be the creation of the CAMU, housed within the P&DD. The CAMU will take on the vital tasks of issuing, revising, and updating the Fixed Asset Management Policy, while also being charged with producing comprehensive high-level reports that inform strategic decision-making.

To facilitate specialised asset management in the health and education sectors, it is proposed to establish nodes of the CAMU within their respective provincial headquarters/secretariat. These nodes will act as bridges, ensuring the tailored implementation of physical asset management strategies for the E&SED and Health departments. At this sectoral level, the onus of the overarching responsibility for the asset management system will be placed on the Principal Accounting Officer.

To ensure downstream effectiveness and to address the nuances of local challenges, the provincial nodes should further permeate district-level offices. This decentralised approach will foster a more holistic and effective asset management practice across the board.

Proposed fixed asset management governance arrangements
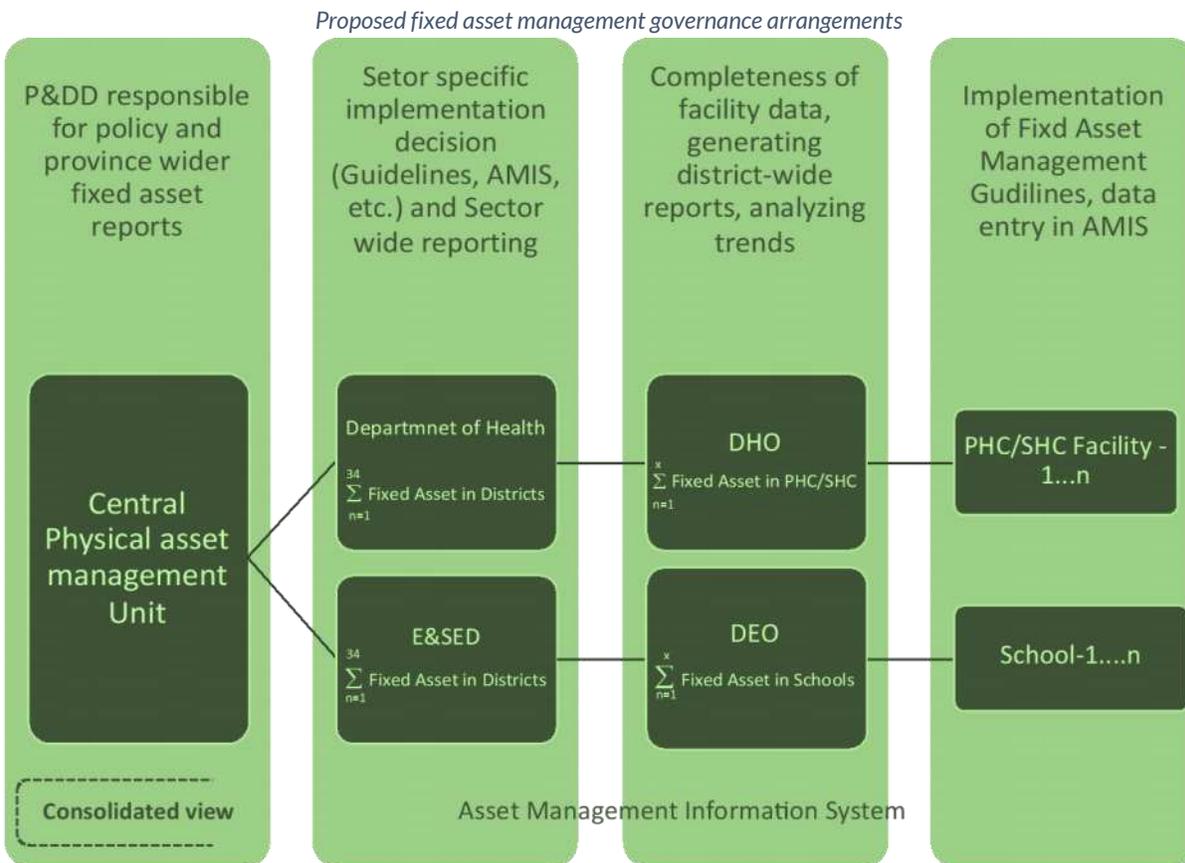
ANNEXURE VI – FIXED ASSET CLASSIFICATION STRUCTURE

Fixed asset classification description

Segment	Level	Description
Institution	Function	Operational level of the facility: primary or secondary care for health; elementary to higher secondary for education.
	Type	Specific type of facility: Rural Health Centres, Basic Health Units, CDs for health; boys, girls, Maktab etc., institutions for education.
	Services	Specific services/programmes: immunisation or maternal care for health; special education or vocational training for education.
Location	District	Geographical administrative unit where the facility is located.
	Infrastructure	Type of infrastructure: service delivery or residential.
	Department	Specific department/unit: radiology or paediatrics for health; science or arts department for education.
Fund	Sponsor	This element identifies the primary entity or organisation that has financed or provided the asset. It essentially pinpoints the origin of the asset's funding or provision. (Government of Khyber Pakhtunkhwa budget, federal government or donated).
	Programme	This element elaborates on the specific programme through which the asset was procured or received,
	Kind	This element classifies the nature of the asset's provision, determining whether it was a direct financial contribution or a tangible donation.
Asset category	Major	Broad classifications: machinery, land, building.
	Minor	Specific types under major categories: medical equipment or IT equipment under machinery.
	Detailed	Granular level: MRI machine under medical equipment; desktop computers under IT equipment.

ANNEXURE VII – TYPE OF HEALTH AND EDUCATION FACILITIES

HEALTH

- Rural Health Centre
- Basic Health Unit
- CDs
- MCH Centre
- Other centres (TB, Sub-health Centres)
- District Headquarter Hospitals (Secondary Healthcare)
- Tehsil Headquarter Hospitals (Secondary Healthcare)

The secondary level of care was previously named District Headquarter and Tehsil Headquarter Hospitals but the level of services to be provided by the hospitals varied from hospital to hospital. To ensure access to and equity of services the Health Department applied standardisation in 2002, with all hospitals categorised as Category A, B, C, or D based on the population of the district and the number of beds of each type of hospital so that a ratio of one bed to 2,500 people is achieved. *(Source: Minimum Service Delivery Package for Secondary Healthcare Kyber Pakhtunkhwa 2019).*

- Category A
- Category B
- Category C
- Category D

EDUCATION

- Primary schools
- Middle schools
- High schools
- Higher secondary schools
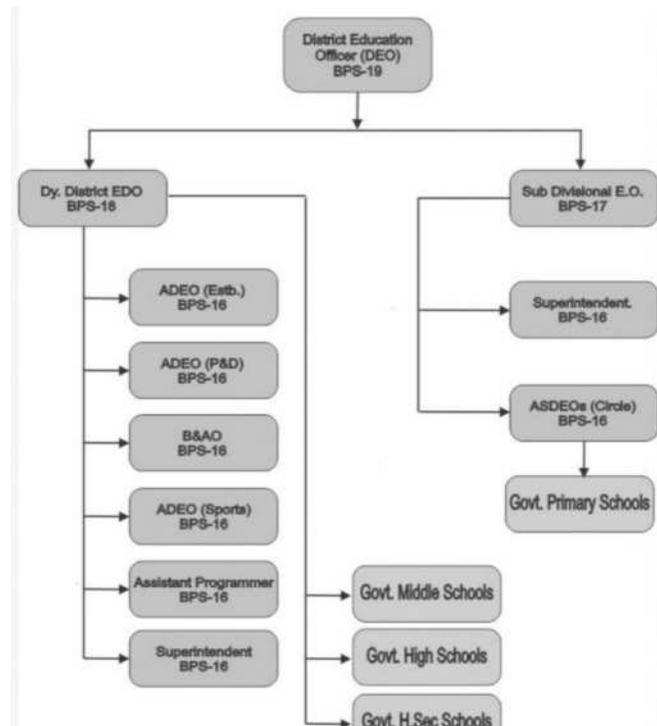
Figure 2 District Education Organogram (Source: https://kpese.gov.pk/edos/)

ANNEXURE VIII – ROLES AND RESPONSIBILITIES

Role	Responsibilities
Departments of Health and E&SED	- Develop and approve Fixed Asset Management Guidelines. - Allocate overall budget for fixed assets. - Set standards for procurement maintenance and disposal. - Monitor and evaluate policy implementation.
District Education and Health Officers	- Align local asset management with respective guidelines. - Allocate funds to schools and healthcare facilities. - Conduct local needs assessments. - Support schools and facilities in asset management planning. - Plan and request funding for fixed assets. - Implement procurement and maintenance as per policy/guidelines. - Maintain asset inventory and records at district level. - Ensure compliance with health and safety standards. - Manage asset disposal and replacements
Accounts and Budget Officer in District Education and Health Office	- Manage budget for asset acquisition, maintenance and disposal. - Ensure financial compliance and transparency. - Prepare financial reports on asset management. - Periodic physical verification of asset.
Facility in-charge (schools/healthcare facilities)	- Oversee daily management and maintenance of fixed assets. - Maintenance of fixed asset register as per guidelines - Ensure the optimal use of assets for educational and healthcare delivery. - Coordinate with external vendors for maintenance and repairs. - Report on asset condition and functionality.

GUIDELINES

Fixed Asset Management

2024

Primary and Secondary Healthcare

GOVERNMENT OF KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT

Foreword

In the pursuit of optimising and streamlining asset management, these guidelines place significant emphasis on aligning processes, systems, people, and data. Their core objective is to ensure comprehensive asset lifecycle management, from initial acquisition to operation, ongoing management, and eventual disposal.

Amidst the dynamic landscape of modern public services the need for effective and transparent management of fixed assets is increasingly pronounced. These fixed assets constitute the essential foundation for service delivery, contributing to its efficiency, effectiveness, and fairness.

At their heart, these guidelines underscore the importance of synchronisation and collaboration. While the approach to asset management is still in its early stages, the guidelines focus on centralised management as an initial step. This involves ensuring the registration and accounting of all assets.

In keeping with their principles, these guidelines adopt as a fundamental reference the International Public Sector Accounting Standards (IPSAS) accounting framework for assets. This framework serves as the foundation for detailing various facets of asset management across the entire asset lifecycle. These guidelines are tailored to the primary and secondary healthcare sector in Khyber Pakhtunkhwa and underscore our commitment to excellence and accountability.

Within the healthcare sector, where each fixed asset directly influences the well-being of citizens, these guidelines will ensure meticulous management of equipment, infrastructure, and resources.

Upon the successful implementation of a centralised recording system, the data collected can be harnessed to generate valuable reports. These reports provide insights into the fixed asset base of the Department of Health, enabling accountability, determining the social return on assets, and facilitating robust budgeting.

As the asset management system matures, and subject to assessments of its effectiveness, the guidelines may evolve to incorporate a decentralised approach for certain assets and their management. Integral to these guidelines is a focus on capacity building, designed to align asset management practices with International Organization for Standardization (ISO) 55001 standards.

These guidelines support our vision of a prosperous and progressive Khyber Pakhtunkhwa. We aspire to a province where fixed assets are not just managed but are also optimised. These Fixed Asset Management Guidelines mark a significant step towards realising this vision: their implementation will set new standards in public service delivery.

Mr. Amer Sultan Tareen
Secretary Finance

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List of Abbreviations

AMIS	Asset Management Information System
CAMU	Central Asset Management Unit
DHO	District Health Officer
DOH	Department of Health
FAARF	Fixed Asset Annual Requisition Form
FAM	Fixed Asset Management
IPSAS	International Public Sector Accounting Standards
ISO	International Organization for Standardization
IT	Information technology
P&DD	Planning and Development Department
PAO	Principal Accounting Officer
PFM	Public Financial Management
R&M	Repairs and maintenance
RFID	Radio Frequency Identification
SAMP	Strategic Asset Management Plan

1 Introduction

The Fixed Asset Management Guidelines for Khyber Pakhtunkhwa have been meticulously prepared based on the comprehensive Fixed Asset Management Policy, ensuring that the practical application of these guidelines aligns with the overarching objectives and principles of the policy.

1.1 Objectives and purpose

The Fixed Asset Management Guidelines for primary and secondary healthcare facilities in Khyber Pakhtunkhwa have been developed to address and resolve the endemic challenges within the Department of Health (DOH), identified through extensive stakeholder consultations, on-site field visits, and desk review. The guidelines aim to refine and elevate asset management practices by introducing standardised processes, leveraging advanced technology, and ensuring robust governance and oversight. The goal is to ensure efficient, accountable, and transparent management of fixed assets, thereby optimising resource allocation, enhancing service delivery, and maintaining high standards of public services.

1.2 Key challenges and strategic solutions

Fragmented asset registers and categorisation: The guidelines propose a sophisticated fixed asset classification system that provides a structured and standardised approach to categorising assets across multiple dimensions, including institution type, location, function, and funding source. This initiative promises to streamline asset management by offering a clear and comprehensive view of assets, facilitating easier tracking, maintenance, and strategic planning.

Inadequate physical asset tracking and depreciation policies: Addressing the absence of physical tagging and coherent depreciation policies, the guidelines mandate the implementation of systematic physical tagging for real-time asset verification and introduce detailed depreciation guidelines tailored to the specific nature and use of each asset class. These measures aim to maintain accurate asset valuation and support informed decision-making regarding asset maintenance, repair, and replacement.

Capacity building and governance challenges: The guidelines emphasise the establishment of robust governance structures, including the creation of a Central Asset Management Unit (CAMU) and sector-specific nodes to oversee and guide fixed asset management practices. Complemented by an ambitious capacity-building programme, these initiatives are designed to empower stakeholders with the necessary skills and knowledge for effective asset management, ensuring the guidelines' successful implementation and sustainability.

Legislative and policy gaps: In response to gaps identified in the Khyber Pakhtunkhwa Public Financial Management Act 2022 and other regulatory frameworks, the guidelines call for more explicit provisions for fixed asset management. They advocate for the establishment of clear, actionable policies and standards that support comprehensive and uniform fixed asset management practices across Khyber Pakhtunkhwa's primary and secondary healthcare institutions.

1.3 Comprehensive approaches and innovations

Asset Management Information System (AMIS): Central to the fixed asset management framework is the deployment of the AMIS, a cutting-edge digital platform that ensures dynamic tracking, categorisation, and analysis of fixed assets. The AMIS is designed to work in tandem with the fixed asset register, offering real-time monitoring, data-driven insights, and compliance with international standards, thereby facilitating informed, timely, and strategic asset management decisions.

Data management and transparency: Acknowledging current deficiencies in asset data management, the guidelines introduce rigorous data management practices. These include the creation of a unified asset register and a classification system that rectifies fragmentation and incompleteness, enhancing both operational efficiency and financial transparency.

Depreciation and maintenance frameworks: The guidelines propose nuanced depreciation methodologies and maintenance allocation strategies based on detailed analyses of asset types, usage patterns, and sector-specific needs. This ensures that assets are maintained optimally, their value is accurately represented, and resources are allocated efficiently, supporting the longevity and functionality of critical infrastructure.

Refined asset disposal processes: By streamlining asset disposal procedures based on clear, objective criteria and leveraging digital management tools, the guidelines aim to expedite the asset disposal process. This ensures that assets are disposed of in a timely, efficient, and environmentally responsible manner, mitigating wastage and optimising asset inventories.

The Fixed Asset Management Guidelines represent a foundational shift towards a more systematic, transparent, and efficient approach to managing fixed assets within the province's vital health sector. By addressing the multifaceted challenges with comprehensive, technology-driven solutions, and by establishing a clear governance framework, these guidelines are set to significantly improve the stewardship of public assets in the province. The strategic implementation of these guidelines promises to enhance public service delivery, ensure better utilisation of resources, and foster a culture of accountability and excellence in asset management across Khyber Pakhtunkhwa.

2 Roles and responsibilities

2.1 CAMU at the Planning and Development Department

Role and importance: CAMU will serve as the nucleus of the entire fixed asset management governance structure. Entrusted with public investment management, the Planning and Development Department (P&DD) is strategically positioned to provide overarching guidance, ensuring that fixed asset management policies align with the province's broader development goals. P&DD's pivotal role in public investment management makes it the ideal department to spearhead the fixed asset management initiative, thus CAMU will be housed in P&DD. By centralising oversight within P&DD, there will be a single point of accountability, ensuring that fixed asset management policies are consistent, data-driven, and in line with the province's broader development objectives.

Responsibilities:

- Develop, review, and periodically update the Fixed Asset Management Policy and Fixed Asset Management Guidelines.
- Monitor the implementation of the Fixed Asset Management Policy across various service delivery sectors.
- Consolidate and analyse data on fixed asset status and performance from all sectors.
- Offer strategic guidance to sectoral nodes in the DOH.

2.2 CAMU Nodes: Fixed Asset Management Experts in Provincial DOH

Role and importance: These nodes (experts) will act as bridges, translating the overarching directives from P&DD into actionable plans within their respective departments. They are the linchpins ensuring that the Fixed Asset Management Policy's vision is realised on the ground.

Responsibilities:

- Coordinate the fixed asset management activities within their departments, ensuring that the ground-level activities align with the provincial Fixed Asset Management Policy.
- Liaise with the junior fixed asset management experts at the district level, providing them with guidance and support.
- Regularly report to the CAMU in P&DD, ensuring that the department's fixed asset management activities are transparent and accountable.

2.3 Grassroots Implementation: Asset Managers at District Level

Role and importance: These asset managers are the foot soldiers of the fixed asset management governance structure. Positioned at the district level, they are aware of the on-the-ground realities and are crucial for the effective implementation of the Fixed Asset Management Policy. A top-down approach to governance can often be detached from reality on the ground: by having junior experts

at the district level, the fixed asset management governance structure ensures that policies are responsive, adaptable, and attuned to the unique challenges of each district.

Responsibilities:

- Oversee fixed asset management activities within their districts, from asset acquisition to data entry into the AMIS.
- Coordinate with individual primary healthcare facilities, ensuring that they adhere to the Fixed Asset Management Guidelines.
- Regularly report to the fixed asset management experts in their respective departments, ensuring a continuous feedback loop.

Figure: Responsibilities of Different tiers in Physical Asset Management
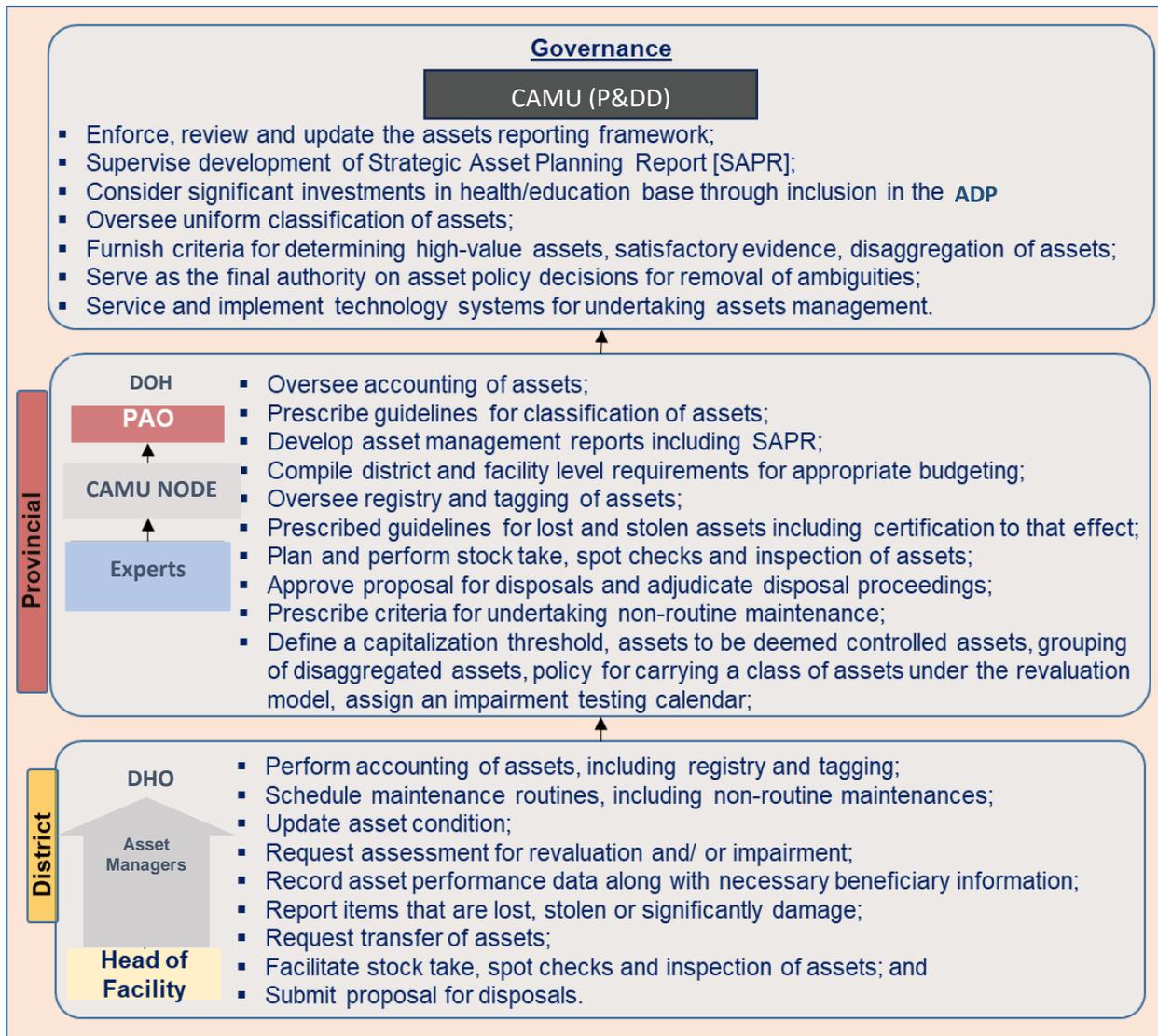
3 Fixed asset planning and budgeting

3.1 Developing a Strategic Asset Management Plan for the DOH

Developing a comprehensive Strategic Asset Management Plan (SAMP) for the DOH ensures that infrastructure investments are made strategically, assets are managed efficiently throughout their lifecycle, and financial resources are utilised sustainably. By following these detailed guidelines, the Health Department can ensure that the fixed assets within these sectors continue to support high-quality service delivery now and into the future (ANNEXURE B).

A. **Strategic planning and asset identification**
   - Develop an asset registry: Create a comprehensive registry of all assets within the DOH, including physical buildings, equipment, and technology systems.
   - Define asset criticality: Evaluate and categorise assets based on their criticality to service delivery, prioritising those essential for the core functions of healthcare facilities.

B. **Assessment of long-term infrastructure needs**
   - Conduct needs assessments: Regularly perform needs assessments to identify current and future infrastructure requirements, considering demographic changes and service demand projections.
   - Establish investment priorities: Prioritise investments based on the criticality of assets, potential impact on service delivery, and alignment with strategic objectives of the DOH.

C. **Lifecycle management and strategic objectives**
   - Develop lifecycle management strategies: Implement strategies for the entire lifecycle of assets, from acquisition and use to disposal, ensuring optimal performance and value from each asset.
   - Align with strategic objectives: Ensure that asset management practices support the broader strategic objectives of improving service delivery, enhancing accessibility, and promoting sustainability in the DOH.

D. **Capital budgeting process**
   - Integrate planning into budgeting: Embed the strategic asset management planning process within the capital budgeting framework to ensure that investments are strategically directed and financially viable.
   - Set rules for capital projects: Establish clear rules for proposing, reviewing, and approving capital projects, including criteria for evaluation, required documentation, and approval workflows.

E. **Financial sustainability and diverse financing**
   - Prioritise asset needs: Allocate funds based on a prioritised list of asset needs, ensuring that the most critical assets are maintained or upgraded as needed to support service delivery.
   - Explore diverse financing mechanisms:
     - Public–private partnerships: Engage in public–private partnerships to leverage private sector expertise and funding for the development and maintenance of critical assets.

- ▪ Grants and loans: Identify and pursue grant opportunities and low-interest loans designed to support infrastructure development in the public sector.
- ▪ Government funding: Utilise government funding effectively, ensuring that allocations are in line with strategic priorities and deliver maximum impact.

F. Implementation and monitoring

- Develop an implementation plan: Create a detailed plan for the implementation of the SAMP, including timelines, responsible parties, and resource allocations.
- Monitor and review: Establish a monitoring framework to regularly assess the performance of the SAMP against its objectives and adjust as necessary to address emerging challenges and opportunities.

3.2 Allocating budget for repair and maintenance in public primary and secondary healthcare facilities

1. **Establish a base funding level:**
    Set a standard of the total budget or a fixed amount per facility to be allocated for repair and maintenance. This will ensure a basic standard of upkeep across all public primary and secondary healthcare facilities (see ANNEXURE F on establishing repair and maintenance budgetary norms).

2. **Adjustments based on facility age:**
    Allocate additional funds based on the age of the facility. Older facilities typically require more extensive maintenance efforts to remain functional and safe.

3. **Consider usage intensity:** Facilities experiencing high footfall, such as health centres in densely populated areas, should receive more frequent repairs and maintenance. Adjust the maintenance budget to accommodate the increased wear and tear.

4. **Review maintenance history:**
    Prioritise facilities that have been neglected in the past, as indicated by their maintenance history. Allocate funds to address these backlogs and prevent further deterioration.

5. **Account for environmental factors:**
    Increase budget allocations for facilities in regions prone to extreme weather conditions or natural disasters. These factors contribute to additional wear and tear, necessitating more robust maintenance efforts.

6. **Incorporate facility manager input:**
    Seek feedback from facility managers to obtain a ground-level perspective on specific needs and conditions. This input is crucial for identifying and addressing issues that may not be evident in a broader analysis.

7. **Medical equipment maintenance (specific to health facilities):**
    Follow manufacturer guidelines for medical equipment maintenance, allocating specific budgets based on the quantity and type of equipment. Integrate equipment maintenance schedules into the overall planning to ensure all equipment remains operational and safe.

8. **Annual budget review:**
    Conduct an annual review to compare the actual maintenance expenses against the allocated budget. This analysis will help identify patterns and inform adjustments in future budget allocations.

9. **Factor in inflation:**
    Adjust budget allocations to factor in inflation, ensuring that the funds allocated remain adequate and effective over time in maintaining the infrastructure and equipment of public healthcare facilities.

FIXED ASSET R&M BUDGET PROCESS

A	B	C	D	E	F	G	H
FACILITY STANDARDS	OPERATIONAL MANUAL	R&M BUDGET MEETING	R&M BUDGET ADJUSTMENT	ENVIORNMENTAL FACTORS	ANALYTICAL REVIEW	R&M BUDGET PROPOSAL	REVIEW & APPROVAL
PAO	CAMU NODE	ASSET MANAGER	CAMU NODE	CAMU NODE	ASSET MANAGER	CAMU NODE	PAO
Establish R&M budgetary standards	Use equipment maintenance schedules	Coordinate with facility managers for their perspective	Adjust for age, usage and manintenance history	Increment for to mitigate potentiol hazardous affect	Analysis of R&M B&E trend for last 3 years	Consolidate R&M buget after adjusting inflation	R&M reveiw meeting and after final adjustments, apporove

4   Acquisition

Acquisition is the point at which the asset enters the system and formally becomes part of the provincial asset base. It signifies the start of the asset lifecycle. The following guidelines apply to the acquisition of an asset:

4.1 Plan to acquire

- CAMU will initiate the annual planning cycle through the issuance of the Fixed Asset Annual Requisition Form (FAARF), ANNEXURE C. The form will be released under authority of the Principal Accounting Officer (PAO). The CAMU node in each department will analyse the requests (FAARF) in the context of the questions identified as a guideline in **ANNEXURE** B.
- Additional information shall be sourced from the AMIS and District Health Officer (DHO) to ascertain the overall budget requirement. In developing the fixed asset budget, CAMU nodes will also identify the mode of acquisition: in-house (in the case of an infrastructure scheme) or procured from market (in the case of goods and services), along with estimated repairs and maintenance (year one requirement, if any) to be covered under the budget ceilings allowed by the Finance Department.
- After approval from the respective PAO, the FAARF will be shared with the CAMU main secretariat at P&DD for to have a consolidated view, in order to avoid any duplication.
- The department will prepare a Schedule of New Expenditures as per Rules 74 to 81 of the General Financial Rules and will forward it to the Finance Department.

4.2 Asset tagging and registry in the AMIS

- The asset will be tagged as per prescribed procedures. Tagging precedes registration to highlight its significance. An automated tag will be generated by the asset manager[1] at the district level assigning an Asset Identification Number. The Asset Identification Number will be bar coded to ensure security and ease of spotting.
- Once issued, the tag will be printed either by the facility manager or the person responsible at the secretariat office for receiving the asset. In the case of assets that are to be placed outdoors, aluminium tags will be used and affixed, to enable longevity in physically challenging conditions. The tags will be affixed in such a manner that they are accessible, legible, and safeguarded against routine physical contact.
- Once a tag has been generated and printed, the asset registration will be completed. The district asset manager will be responsible for maintaining the updated asset registry within the AMIS, which will entail capturing asset information as per the guidelines for asset classification.

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[1] The asset manager is any person designated at district level for asset management. They can be a new hire or an existing staff member.

- Once the asset has been posted (completion of registration) in the AMIS, it will be subject to review through the internal audit at the department level (ANNEXURE H provides details on the AMIS architecture).

4.3 The fixed assets register at facilities

The officer in charge of each facility will maintain the fixed assets at their facility and will be accountable for the maintenance and accuracy of the fixed asset register under their jurisdiction. They will ensure that the register is updated regularly and that all asset-related decisions are informed by the data therein. Additionally, the CAMU, through its nodes in respective departments and internal auditors, will periodically review these registers to ensure compliance and accuracy.

At a minimum, the fixed asset register must capture the following details for each asset (ANNEXURE D):

- asset identification number/code;
- description/name of the asset;
- category/type (e.g. machinery, land, building, etc.);
- date of acquisition;
- acquisition cost;
- estimated useful life;
- current asset value (with provisions for periodic depreciation);
- location/department of asset;
- asset condition (e.g. new, in-use, end-of-life); and
- any associated warranties or maintenance contracts.

All assets shall be entered into the asset register maintained at the facility level as soon as it is received at the facility or provincial or district office. Each entry in the register must be signed by the person issuing it (if the physical asset is first received at the respective provincial or district office and then dispatched to the facility) and receiving it, along with the date of receipt.

Any changes in the value of the asset and/or useful life of an asset shall be incorporated in and approved through the register. At the same time, within the AMIS, depreciation/amortisation routines shall be run monthly to enable updated reporting. The condition of the asset and maintenance scheduling shall be managed through the maintenance tracker, which shall be integral to the AMIS, and under the facility manager's responsibility, to ensure that there are no discrepancies in asset information contained in the AMIS and the register.

FIXED ASSET ACQUISITION PROCESS

Initiation

PABCC
CAMU NODES

CAMU will kick off the annual planning cycle by issuing a "physical asset budget call circular" (PABCC) under the authority of the respectivePAO. Each department's CAMU node will gather requests within the respective departments and analyse them against guidelines provided in appendix D of the guidelines.

PAPP
CAMU CENTRAL

Allocation

Following PAO approval, the PAPP, enriched with data from AMIS, DEOs will be developed and is sent to the CAMU main secretariat for a review to prevent duplications and then forwarded with the New Item Statement (NIS) to the Finance Department, following GFR 74 to 81.

TAGGING

AIN
ASSET MANAGER

After the completion of procurement process, when the asset is received, each asset is first tagged with an automatically generated "Asset Identification Number (AIN)," which is bar coded for security and ease of identification. This tagging, essential for tracking, precedes registration and is handled at the district level by the Asset Manager.

REGISTERATION
ASSET MANAGER

AMIS

Following tagging, the asset is registered within the AMIS by the asset manager, who ensures the asset registry is kept up-to-date with all necessary information as per classification guidelines. Once registered, the asset is subject to an internal audit at the department level to verify and validate the registration accuracy.

FAR

REGISTER MAINTENANCE
FACILITY MANAGER

Each facility officer is responsible for maintaining an accurate and regularly updated Fixed Asset Register, detailing all assets under their jurisdiction. This register includes comprehensive information such as Asset Identification Number, asset description, type, acquisition details, current value, condition, acquisition cost, estimated life, and maintenance schedules.

COMPLIANCE
FACILITY MANAGER

UPDATING

Changes in asset value or condition are updated and approved through the register, and depreciation is computed monthly in AMIS to ensure consistent and accurate reporting. The facility manager also ensures that asset information between AMIS and the Fixed Asset Register remains synchronized, especially regarding asset condition and maintenance schedules.ollowing tagging,

5   Accounting

Accounting is the engine that enables the assignment of financial worth to assets. Accounting for assets goes in tandem with its lifecycle, where a change in the condition of an asset from acquisition to disposal is duly accounted for through financial adjustments to the value of asset. Asset values shall initially be measured as follows:

- the purchase cost for assets acquired through provincial consolidated funds or foreign donor grants;
- accumulated cost spanning the entire construction or developmental phase for assets that have a gestation period before being conditioned for use;
- fair value for assets acquired in-kind, inclusive of any directly attributable costs. As per IPSAS 17 and 31 guidelines, the cost of assets acquired will be considered their fair value. For in-kind acquisitions, the fair value shall be sourced from the asset donor or determined using market-based appraisals, with reference to ANNEXURE D of IPSAS 46 where required.

The depreciation or amortisation method selected should align with the asset's estimated useful life and usage pattern. This estimation will be determined by CAMU based on technical and operational asset data received during acquisition. CAMU, through its nodes in the respective departments, will also establish a calendar for impairment testing to identify specific assets that may warrant review.

Post-acquisition costs related to existing assets that promise benefits for over 12 months shall be capitalised. However, routine maintenance costs and those below the capitalisation threshold will not be capitalised. Assets may undergo a change in their estimated useful life due to additional costs, revaluation, impairment, or as they approach the end of their previously determined useful life. Any revision should reflect the asset's updated expected usage pattern and potential economic benefits.

CAMU will centrally handle all accounting policy decisions. These encompass recognition of fair value of asset, application of the cost or revaluation model under IPSAS 17/31 for each asset category, determination of useful life, depreciation methods, asset condition assessments, revaluation treatments, and accounting procedures for disposals. Assets will be derecognised from the asset register upon disposal.

5.1 Initial measurement

- Initial measurement of the value of asset will be costed using the following sources, in order of priority:
    - vendor invoice;
    - value of the grant/donation specifically utilised for acquiring the asset;
    - project cost incurred prior to transfer of an asset from Communication and Works Department or project management unit responsible for erection/ construction of an asset;
    - fair value assessment;
- Fair value assessment will be performed in the following order:
    - observable price in the principal market where the asset is traded;

- if the price is not observable due to lack of a market, replacement cost to acquire or construct a substitute asset. It is to be noted that service capacity of the asset under consideration is integral to its replacement cost; or
- present value technique where the replacement cost cannot be determined.

▪ Subsequent expenditure on an asset that is eligible for capitalisation will be recorded as a disaggregated asset.

▪ The asset manager will apply the principles of initial measurement to an asset that has been disaggregated for the purposes of recording as per criteria prescribed by P&DD.

▪ Where a fair value assessment is required, an external professionally qualified valuer may be engaged to undertake the assessment.

▪ Evidence of basis of measurement will be attached at the time of recording the asset.

▪ Upon initial measurement and recording, the assets will be deemed to have been accounted for under the historical cost model.

5.2 Classifying assets

Assets vary considerably in their size and nature and must be classified into logical groupings for management control, financial treatment, and external reporting requirements. The following guidelines will be followed to undertake fixed asset classification:

▪ Classification shall be as per the Chart of Accounts and assigned appropriate flex field markers as required under the Fixed Asset Management Policy.

▪ Asset managers shall distinguish between classes of assets, and will use the asset categories laid out in **ANNEXURE G** to perform classification.

▪ In applying classification, the asset manager shall assign a category and a sub-category to the asset that is the most proximate match in terms of purpose of use and the nature of the asset.

▪ The asset manager will adhere to the Fixed Asset Management Policy and CAMU guidelines specifically issued for uniformity in the classification of assets by P&DD.

5.3 Capturing asset information

▪ Each classification recorded as per Chart of Accounts shall be complemented by capturing the following information to enable monitoring of the asset over its lifecycle and reporting as per the reporting framework outlined in the previous section:
  - service capacity;
  - targeted outcome most relevant to the asset;
  - controlled asset, fixed (physical) or intangible;
  - disaggregation or whole;
  - date of receipt;
  - intended recipient;
  - owner of asset;
  - location of receipt of asset;
  - location of intended utilisation;
  - expected useful life of asset;

- depreciation/ amortisation method (in the case of fixed assets and intangibles);
- value at the time of receipt;
- schedule for repairs and maintenance;
- frequency of impairment/ revaluation testing; and
- condition of asset (used/ new).

5.4 Capitalisation threshold

- CAMU provincial will set a minimum monetary threshold for the recording and financial reporting of assets. Only those assets whose value is of significance to service delivery objectives and are above the threshold will be recorded.
- Assets deemed to be controlled assets will not be recorded irrespective of the capitalisation threshold, for control and security reasons.

5.5 Guidelines for grouping disaggregated assets and aggregating assets

- Recording of assets will be on an asset-by-asset basis.
- In some cases, however, it may be appropriate to record a group of interrelated assets (of which some or all the components may have a value below the recording threshold). Examples include a major piece of machinery with a number of sub-assemblies, or an infrastructure asset such as a services network.
- The register will record the grouped asset, and identify the individual components.
- Unlike assets that are aggregated for convenience, a group of assets attracts particular value because it represents a complete collection (e.g. a suite of furniture, a set of crockery, or a services network). Loss or removal of one item would significantly diminish the value of the group or collection by making it incomplete. This would apply even if the value of the particular item were relatively low. (This contrasts with an aggregation of assets where the loss or removal of one item may have negligible effect on the total value of the aggregated assets.)
- Large numbers of homogeneous assets which have complementary values (such as library books, or a collection of scientific material) may be recorded in aggregate. As for assets that are grouped, this approach will be useful where the value of the components of an individual asset may fall under the recording threshold but the aggregate value of the 'asset' is above the threshold.
- Aggregation should not be used for assets that have fundamentally different characteristics as this will result in inconsistent assumptions about their useful life and depreciation.

5.6 Depreciation

1. Determination of depreciation methods

Select appropriate depreciation methods: Choose a depreciation method that reflects the usage pattern and economic life of the asset. Common methods include the following:

- Straight-line depreciation for assets with consistent utility over their useful life.
- Reducing balance method for assets that lose value more rapidly in their initial years.
- Units of production method for assets for which wear and tear directly relates to their usage.

Tailor depreciation methods by asset class: Apply the selected depreciation method consistently within each asset class, ensuring it aligns with the nature and lifespan of the assets in that category.

2. **Special considerations for medical equipment**
   - Assess expected useful life: Determine the expected functional and beneficial lifespan of medical equipment, considering both physical durability and relevance in the face of technological advancements.
   - Account for technological obsolescence: Evaluate the rate at which new technology might make existing equipment obsolete. This is crucial for high-tech medical machinery.
   - Evaluate wear and tear: Consider the frequency and nature of use, as this impacts the longevity and depreciation rate of the equipment.
   - Determine residual value: Estimate the value of the equipment at the end of its useful life, considering potential for resale, trade-in, or scrap.
3. **Implementation of depreciation policy**
   - Documentation and policy development: Formulate a detailed depreciation policy document that outlines procedures and methodologies for, and frequency of, depreciation calculations for each asset class.
   - Training and communication: Train finance and asset management teams on the depreciation policy to ensure consistent implementation. Communicate policy details to relevant stakeholders to ensure transparency and understanding.
   - Periodic review and adjustment: Regularly review the depreciation policy and asset categories to adjust for new acquisitions, disposals, and changes in asset use or technological environment. This may include revising depreciation rates, methods, or useful life estimations.
4. **Reporting and compliance**
   - Accurate financial reporting: Ensure that depreciation calculations are accurately reflected in financial statements, which will contribute to the integrity of the institution's financial reporting.
   - Compliance with Standards: Adhere to relevant accounting standards and regulations governing asset depreciation, ensuring legal and regulatory compliance.

5. **Asset depreciation: methods, timing, and considerations**

   - Depreciation commences in the month when the asset is in a location and a condition that enables it to be used by the intended recipient. Depreciation ceases one month prior to disposal.
   - An asset being temporary or otherwise idle does not preclude depreciating the asset, as future economic benefits are consumed not only through usage but also through wear and tear and obsolescence.
   - Where an asset has been disaggregated, a different method of depreciation may be applied to the disaggregated parts where the pattern of use is expected to be different among the parts.

- The residual value and the useful life of an asset will be reviewed at least annually and, if expectations differ from previous estimates, the change(s) will be accounted for.
- Land and controlled assets will be carried with an indefinite life.
- Additional depreciation arising due to revaluation surplus may be transferred to equity over the remaining useful life of the asset.

5.7 Subsequent measurement

5.7.1 Revaluations

- A class of assets may be carried under the revaluation model.
- CAMU provincial will have powers to assign any class of assets to be carried at the amount determined by the revaluation model.
- The assessment frequency will be set at sufficient regularity to ensure that assessments are carried at an amount that is not materially different from their fair value at the end of the fiscal year.
- A fair value assessment will be performed as per the guidelines laid out in Section 5.1.
- Where the carrying amount of a class of assets is increased as a result of a revaluation, the increase shall be credited directly to revaluation surplus. However, the increase shall be charged to income to the extent that it reverses a revaluation decrease of the same class of assets previously recognised in income.
- Where a surplus arises on a class of assets that have suffered a revaluation deficit in a prior year, the increase to be charged to income will be restricted to the excess available after adjustment of depreciation chargeable had the revaluation deficit not arisen.
- Where the carrying amount of a class of assets is decreased because of a revaluation, the decrease shall be recognised as an expense. However, the decrease shall be debited directly to revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that class of assets.

5.7.2 Impairment

- Only an asset carried under the cost model will be tested for impairment.
- An asset will be deemed impaired where the following conditions arise:
  - a change in the use pattern of an asset such that an asset is not used as historically evidenced;
  - a change in the government policy, geo-political landscape, technology, or legal environment causing a facility to be adversely affected;
  - physical damage to the asset;
  - a decision to halt, lay idle or discontinue construction or development of an asset prior to it having reached a usable condition or plans to dispose of an asset-in-use; or
  - evidence that service performance of an asset is significantly worse than expected.

The conditions above are inclusive and not exhaustive. Indicators such as market value decline, accelerated wear and tear, or obsolescence may also be considered to determine whether an asset is impaired.

- CAMU provincial may establish an impairment testing calendar for carrying out an inspection to determine whether any of the conditions of impairment have arisen in respect of specific assets.
- Where the asset is deemed impaired, it is likely that its carrying value under the cost model will be greater than the recoverable service amount. If so, an impaired asset's value will be brought down to its recoverable service amount.
- Recoverable service amount is the lower of fair value less costs to sell and value-in-use of the impaired asset. As a practical expedient, CAMU will apply the guidance under para 39 of IPSAS 21 to determine the recoverable service amount of an impaired asset.
- Controlled assets should be tested for impairment once every three years.
- Where there is a reversal of an impairment loss, the amount of the reversal that can be recognised is restricted to increasing the carrying value of the asset to the carrying value that would have been recognised had the original impairment not occurred.

5.8 Transfer and disposal

- Establish clear disposal criteria: Define unequivocal criteria for asset disposal, considering factors such as the asset's age, functional status, maintenance costs, and any potential risks associated with continued use.
- Mandate an annual review of all assets to assess their current status and identify those that may require disposal in the forthcoming year. This review should be documented and accessible for audit purposes.
- Assign specific personnel or departments with the responsibility for overseeing the disposal process. This includes evaluating disposal options, managing paperwork, and ensuring compliance with regulations.
- Before final disposal, assess each asset for potential resale, repurposing, or recycling. This assessment should consider the economic benefits and environmental impact.
- Document the rationale and method for each disposal decision. This documentation should include an evaluation of resale, repurposing, and recycling options and the outcome for each disposed asset.
- Environmental responsibility: Encourage practices that contribute to environmental sustainability. This includes prioritising recycling and repurposing of assets wherever feasible.
- Ensure that the disposal process complies with local and national environmental regulations, particularly in the handling and disposal of hazardous materials.
- Conduct regular monitoring of the asset disposal process, including conducting checks on compliance with the guidelines, the effectiveness of the digital asset management system, and environmental impact assessments.
- Annual reporting on asset disposals, including a summary of disposed assets, disposal methods, economic returns from resales, and environmental considerations: Such reports should be made available to relevant oversight bodies.
- An asset shall be derecognised when disposal proceedings are concluded and:

- receipt to that effect has been deposited in the Provincial Consolidated Fund; or
- a certificate of destruction/discard has been issued by the person destroying/ discarding the asset under seal of the asset owner; or
- it is certified by CAMU provincial as lost or stolen as per the protocol prescribed in this regard.

FIXED ASSET ACCOUNTING PROCESS

Initial Measurement
CAMU
Conduct initial measurement, schedules as per IPSAS. Check the capitalization threshold.

Interrelated Assets
ASSET MANAGER
Group assets where individual components might fall below the recording threshold but collectively form a significant unit.

Depreciation Review
CAMU NODE
Conduct annual review of the useful lives of all assets. Any necessary adjustments will be reflected in the depreciation schedule.

Asset Revaluation
CAMU
Conduct fair value assessments to align carrying amounts with fair values at fiscal year-end.

Financial Accounting
CAMU NODE
Record purchase costs, accumulated costs for assets under construction, depreciation expenses, revaluation and residual values, in AMIS.

ONE

TWO

THREE

FOUR

FIVE

SIX

SEVEN

EIGHT

NINE

TEN

Asset Classification
ASSET MANAGER
Classify assets in accordance with the FAM policy, assigning flex field markers for management control, financial treatment, and external reporting

Homogeneous Assets
ASSET MANAGER
Aggregation of homogeneous assets that individually may be below the recording threshold but collectively exceed it, such as sets of chairs or scientific equipment.

Depreciation Method
CAMU NODE
This includes choosing from straight-line, reducing balance, or units of production methods tailored specifically for each asset class .

Disposal
CAMU NODE
Conduct annual reviews to identify assets for disposal or transfer, evaluating options for resale, repurposing, or recycling.

Impairment Testing
ASSET MANAGER
Assess assets for impairment triggers such as changes in use patterns, government policies, or physical damages.

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6 Control and maintenance framework

The fixed asset control and maintenance framework comprises critical subsystems, each of which is integral to the effective management of assets across their lifecycle. Each subsystem interlocks to provide a comprehensive approach to fixed asset management, from monitoring and maintenance to financial oversight and regulatory compliance.

Control entails effective and efficient operation of assets. It is obvious that for optimal operation of the asset, the condition of the asset needs to be monitored with diligence. Consequently, it is imperative to ensure any maintenance required to keep the asset in optimal condition. The following guidelines will be in place to direct affairs pertinent to the control and maintenance of assets.

Fixed assets will be monitored through asset tags assigned under the policy for asset acquisition. Tagged fixed assets will be subject to periodic counts, at least once annually, duly scheduled by the DOH. The purpose of the check will be to confirm the assets' existence, condition, and ownership (rights and obligations).

Depending on the nature of the asset, respective departments will establish a repair and maintenance schedule for each asset. The schedule will be used as a basis for budgeting the level of effort, travel, meals, and lodging cost of the technical personnel. In addition to routine repairs and maintenance, the respective departments will budget for *ad hoc* and exceptional items.

For the purposes of the overall budget for repair and maintenance, both routine and non-routine, the CAMU node in the respective department will use the annual depreciation charge as a basis for establishing the budget. As use patterns develop, CAMU will use data pertaining to revaluation assessments, impairments, and frequency of changes in useful life estimates, to complement its basis for establishing the budget for repairs and maintenance.

The respective departments will separate the research and maintenance budget into 'operational servicing' and 'major improvements', as a proactive measure towards which expenditure is expected to be capitalised, since major improvements are likely to be capitalised. Irrespective of the repair classification, once such expenditure has been incurred, it will be subjected to benefits tests and a capitalisation threshold test.

6.1 Condition of an asset

6.1.1 Grading the condition of an asset

- When the asset is brought into use, the condition of the asset shall be deemed 'good' by default, where goodness is a relative measure depending on the used life of an asset and the extent to which it has been depreciated.
- There will be three determinants for grading the condition of an asset:
  - the useful life of the asset;
  - asset use;
  - an event effecting a change in the condition of an asset.

▪ An upwards revision in the useful file of an asset will cause its condition to be downgraded.

▪ Reduction in performance efficiency is an indicator of a change in the condition of an asset due to asset use and is likely to cause its condition to be downgraded.

▪ The condition of an asset may be downgraded based on the following events:
  - obsolescence;
  - technical fault rendering the asset out of order;
  - accelerated wear and tear due to the physical conditions in which the asset is kept;
  - damage;
  - the asset is lost or stolen.

▪ Depending on the seriousness of the factors, the asset's condition may be downgraded to fair or bad.

▪ An asset shall be marked as 'bad' only when it has become incapable of use, which includes lost and stolen assets.

▪ Any item that is lost or stolen will be reported to CAMU provincial.

6.1.2   System for changing an asset's grade

▪ A change of an asset's grade will be instigated upon the occurrence of any of the following:
  - a request for non-routine maintenance raised by the owner of the asset;
  - information and supporting evidence furnished by the owner regarding the incapacitation of an asset;
  - the condition deemed at the time of a spot-check performed by a supervising asset manager;
  - the condition deemed by the maintenance provider post-routine maintenance.

▪ Upon instigation, the asset manager at the facility will initiate a change of the asset's grade.

▪ A change of grade shall be approved by the supervising asset manager after obtaining satisfactory evidence to that effect.

▪ Such evidence may include physical inspection by a qualified technician (internal or external) where the value of the asset is high or the asset is a controlled asset.

▪ P&DD shall have the power to prescribe rules for determining 'high-value assets' and 'satisfactory evidence'.

▪ Where an asset has been graded as in a 'fair' or 'bad' condition, it shall be marked for impairment testing or a revaluation assessment (where an asset is carried under the revaluation model).

6.1.3   Stock-take and spot-checks

▪ A stock-take shall be performed by CAMU provincial to validate the assets registered by subordinate offices.

▪ A stock-take may be performed on a sample basis or a piecemeal basis under a formally drafted sampling or stock-take plan.

▪ A stock-take may be outsourced to an independent group.

▪ At a minimum, an annual stock-take exercise will be carried out. In addition, spot-checks may be performed when:
  - there are reporting issues or audit findings pertinent to the district or facility;

- a significant number of assets have had their condition downgraded;
- performance targets pertinent to the assets are not being met;
- there is a significant change event, such as the transfer of an assigned officer, a new facility, or a major acquisition.
▪ Specific protocols for dealing with assets that are identified as missing during spot-checks, or earlier reported as lost or stolen, may be developed by CAMU provincial.

6.2 Transfer and disposal

Fixed assets will be deemed to have been disposed when they no longer have any utility or when the DOH or its offices no longer possess control rights over them. This includes instances where assets are lost, destroyed, stolen, or have simply exhausted their utility.

Annually, CAMU nodes will assess fixed asset conditions and useful lifespans. This assessment will form the basis for planning scheduled disposals. Following this, fixed assets listed for disposal will undergo physical inspection to validate their condition against the fixed asset register. If, after inspection, a fixed asset is determined to still have the capacity to offer economic benefits, it will be subjected to a revaluation assessment. This includes a reassessment of its useful life estimate to ensure it remains an active and beneficial part of the asset register.

Upon confirmation of a fixed asset's disposal status, the residual asset will either be auctioned or destroyed, in accordance with the existing disposal policy maintained by the DOH or their respective offices. All associated costs, including inspection and anticipated disposal proceeds, will be incorporated into the annual budget.

Any revenue generated from the disposal of fixed asset will be accurately recorded in the government accounting system, in alignment with the stipulations of the Accounting Policies and Procedure Manual – 13.5.1.

6.2.1 Transfers

All fixed asset transfers must be authorised by the designated asset manager prior to the initiation of the transfer process. Every fixed asset transfer must be documented and processed through the AMIS to capture and record any changes in asset status, including changes in location, ownership, or user (second recipient).

The transfer must be recorded with a unique identifier for the transaction, the date of the transfer, a description of the asset, and the details of the former and new asset custodians. A condition report for the asset must be completed prior to the transfer to document the state of the asset being transferred. All documentation pertaining to asset transfers must be retained according to the government's retention policy.

Any transfer not processed through the AMIS will be considered as constituting the unauthorised use of the asset. Such actions are subject to review and penalty by the governance authority and CAMU at the provincial level.

- Transfer of an asset shall mean either a change in location or a change in the recipient of an asset.
- Transfers involving the same owner shall be updated in the register after notification of the relevant asset manager.
- If a transfer involves a change of owner, the transfer shall be subject to the approval of the supervising asset manager.

6.2.2 Disposals

- The following assets will be proposed for disposal:
  - an asset whose condition has been downgraded to 'bad';
  - an asset whose useful life has been exhausted, and the asset is not subject to a useful life reassessment.
- A list of assets proposed to be disposed will be extracted from the AMIS.
- The list shall be submitted along with a request for inspection to CAMU provincial.
- CAMU provincial has the authority to delegate inspections to the district asset managers or to arrange independent inspections.
- Where an inspection reveals that an asset has the capacity to service additional economic benefits, a valuation estimate and the remaining useful life shall be indicated in the inspection report.
- Guidance in Section 13.5.1 of the Accounting Policies and Procedures Manual may be relied upon when executing disposal proceedings, except for assets that are subject to disposal through destruction on account of special disposal procedures in place under the DOH.
- Disposal proceedings will be supervised by the adjudicating asset manager.
- At a minimum, the residual value of assets shall be the estimate of receipts to be communicated in response to the FAARF, where residual value equals 'cost of asset **less** accumulate depreciation, impairment losses and costs to sell'.

6.3 Tools

- The primary tools in use for asset monitoring are the following:
  - The fixed assets register, which shall contain a record and financial history of all assets.
  - The maintenance tracker, which shall contain maintenance schedules, including warranty claim handling, for all assets subject to maintenance.
  - The performance measurement dashboard, which shall contain the operational data of assets pertinent to their use linked to an outcome.
- These tools shall be serviced through the AMIS.

6.3.1 Use of tools

- Where an electronic medium cannot service the AMIS at the facility level fully, the assets shall be tagged and registered in the electronic system at the district level.
- Subject to the availability of IT infrastructure, a simplified version of the AMIS shall be made available at the facility level to feed control and maintenance data into the AMIS.

6.3.2   The maintenance tracker

- The maintenance tracker will be in place for maintenance scheduling and shall report on the following attributes:
  - asset category;
  - warranty period;
  - provider of maintenance services;
  - maintenance schedule;
  - log of maintenance performed;
  - post-maintenance evaluation of the condition of asset.
- The maintenance tracker will be enabled to manage the complete workflow of maintenance, including requests for non-routine maintenance, including condition-based maintenance, unplanned maintenance, overhauling (lifecycle replacements) and inspections.
- A routine maintenance schedule shall be set for each asset eligible for routine maintenance.
- For specialised medical equipment, input will be sought from the owner of the asset at the time of initial placement to specify the applicable routine maintenance schedule.
- A master maintenance schedule shall be maintained, enlisting upcoming maintenance assets.
- The master maintenance schedule shall be monitored on a daily basis.
- The master maintenance schedule shall comprise the routine maintenance schedule by default, and non-routine maintenance once it has been approved by a supervising asset manager.
- Criteria for approving non-routine maintenance may be prescribed by CAMU at the provincial level.
- For all routine maintenance, the asset manager shall identify whether the maintenance is preventative or condition-based.
- For all non-routine maintenance, the asset manager shall identify whether the maintenance is unplanned, relates to lifecycle replacement, involves an overhaul, relates to a back log, or relates an inspection.
- For each maintenance item, a vendor will be specified. Where maintenance is to be handled internally, the name, designation, and department of the technician will be mentioned.
- For each maintenance item, the warranty status shall be specified.
- Where an item is subject to warranty, coverage will be specified, including whether any costs will be borne by the facility. For example, technical assistance may not be chargeable but minor parts replacements or travel may be billed by the vendor.

6.3.3   The performance dashboard

- The performance dashboard will show the technical use history of the asset, along with beneficiary information.
- The dashboard will be linked with the maintenance tracker to justify special maintenance requirements.
- Parameters for the technical use of an asset shall be communicated to the asset manager by the owner of the asset at the time of acquisition.
- These parameters and associated values shall be set by the asset manager at the time of registering the asset.

▪ Where an asset does not create any performance requirements, a justification to this effect will be included in the AMIS at the time of the registry of the asset.

6.4 Budgeting for maintenance

▪ Each item of routine and non-routine maintenance will be budgeted based on the following:
  - The type of maintenance. Except for lifecycle replacements and overhauls, the remaining items are likely to be activities involving operational servicing.
  - Coverage provided by the warranty.
  - Minor replacements.
  - Costs of administering the maintenance activity, such as travel, accommodation, etc..
  - Spot-checks.
▪ The budgets shall be made part of forms filled in in response to the budget call circular released by the Finance Department.
▪ Any maintenance activities deemed to be major improvements will take heed of Section 3.1.

6.4.1 Collaborative stewardship in fixed asset management

While specific responsibilities have been detailed in preceding sections, these guidelines underscore the importance of shared responsibility for effective fixed asset management. It is imperative to understand that CAMU is not the sole entity responsible for fixed asset management: beneficiaries also play a critical role through out the asset lifecycle.

Fixed asset recipients are obligated to account for the asset in two levels: the Drawing and Disbursing Officer and CAMU. Failure to register an asset with CAMU within the stipulated timeline, where the title rests with the DOH, will be considered a misappropriation of public assets.

Recipients are mandated to promptly report any change in the condition of an asset and to ensure the asset register reflects these changes accurately.

The onus for supervising, tracking, and determining disposal procedures falls on the respective department head. In this context, CAMU will collaborate with department heads to ensure the register is accurate and up to date, especially during the disposal processes.

The figure below provides a visual representation of how these subsystems interact within the fixed asset control and maintenance framework.

10 SUB SYSTEMS
FIXED ASSET
CONTROL & MAINTENAINCE FRAMEWORK

SUB SYSTEM A
CONDITION GRADING
based on FA useful life, usage , and external events

SUB SYSTEM B
SPOT CHECKS
annual stock takes and spot checks ensure asset accuracy

SUB SYSTEM C
TRANSFER
utility loss or loss of control, followed by condition assessment and potential revaluation

SUB SYSTEM D
DISPOSAL
asset disposals is guided by inspections and residual value

SUB SYSTEM J
STEWARDSHIP
shared responsibility in FAM emphasizes collaboration between CAMU and asset beneficiaries

SUB SYSTEM E
TOOLS
asset registers, maintenance trackers, and performance dashboards

SUB SYSTEM I
MAINTAINANCE BUDGET
includes type, warranty coverage, minor replacements, administrative costs, and spot checks

SUB SYSTEM H
PERFOMRANCE
tracks asset usage and maintenance needs, integrating technical parameters set at acquisition

SUB SYSTEM G
TRACKER
manages all maintenance workflows and schedules for assets (routine and non-routine)

SUB SYSTEM F
AMIS
use of technology for fixed asset management from facility to provincial levels

7   The reporting framework

The financial reporting framework in Khyber Pakhtunkhwa is central to asset management and primarily draws on the following legislation:

- Khyber Pakhtunkhwa Public Financial Management Act 2022.
- Accounting Policies and Procedure Manual.
- General Financial Rules (Rule 74-81).
- Delegation of Financial Power Rules 2018.

Keeping in mind the aforementioned legislation, the following guidelines apply to undertaking reporting on assets.

7.1 Data management

A comprehensive and integrated approach to data management, rooted in a well-maintained fixed asset register and a dynamic AMIS, is the key to unlocking the full potential of assets in primary and secondary healthcare facilities. The objectives of data management are as follows:

- **Granularity and structure:** Detailed and structured data ensure that every aspect of the asset is captured, providing a comprehensive view.

- **Data analytics:** Leveraging data to derive insights. For instance, analysing maintenance data can predict when an asset might fail, enabling preventative action.

- **Timeliness:** Regular updates ensure that the data remain current, reflecting the real-time status of assets.

7.1.1   Integration with the AMIS

The synergistic interaction between the fixed asset register and the AMIS is critical. While the register lays down a consistent and comprehensive asset base, the AMIS brings in a layer of real-time asset intelligence, capturing the evolving state of asset conditions, usage, and performance. This integration ensures that asset management decisions are not only based on historical and static data but are also responsive to current and dynamic asset realities. Together, they form a powerful duo that enhances decision-making accuracy, ensures operational efficiency, and elevates strategic planning in asset management.

7.1.2   Data verification, validation, and reconciliation

- Conduct regular audits: Implement a schedule for regular audits of asset data to verify that the recorded details match the actual physical and operational status of assets.
- Utilise technology: Employ barcode or RFID technology to streamline the verification process, ensuring that asset details in the fixed asset register accurately reflect those of the physical assets.

- Implement validation rules: Establish a set of rules for data entry that checks for data integrity and accuracy at the point of input. This includes checks for format, range, and logical errors.
- Continuous training: Provide ongoing training for staff on the importance of data accuracy and how to correctly input and validate data within the system.
- Reconcile data regularly: Schedule regular reconciliation processes to ensure consistency between the fixed asset register and the AMIS. This involves comparing data entries across systems to identify and address discrepancies.
- Automated reconciliation tools: Where possible, integrate automated reconciliation tools that can highlight discrepancies between systems for prompt correction.
- Rectifying discrepancies:
- Establish a correction protocol: Develop a clear protocol for rectifying identified discrepancies, including steps for investigation, correction, and documentation of the resolution process.
- Accountability and reporting: Assign responsibility for discrepancy resolution to specific roles within the organisation and require reporting on resolutions for accountability and transparency.
- Continuous improvement: Foster a culture of continuous improvement, with regular reviews of data management practices to identify areas for enhancement.
- Security measures: Implement robust security measures to protect data integrity and prevent unauthorised access or alterations.

7.2 Reporting framework with a focus on fixed asset schedule

The integration of the fixed asset register and the AMIS allows for the generation of a variety of reports tailored for different administrative levels in Khyber Pakhtunkhwa.

- An **assets schedule** shall be developed and shall serve as the primary report on assets. See **ANNEXURE A** for reference.
- Additionally, the following reports shall be generated periodically to monitor assets:
  - **Asset summary and status report:** Provide an overview of all the assets within the unit, including their status (operational, under maintenance, out of order). See **ANNEXURE A** for reference.
  - **Asset utilisation and maintenance report:** This will showcase how frequently assets are used, and their maintenance schedules. See **ANNEXURE A** for reference.
  - **Asset analytics report:** Report asset performance, maintenance schedules, and usage patterns across the province.
  - **Strategic asset planning report:** Focused on the long-term strategic planning of assets, considering potential growth areas, areas of decline, and evolving needs. See **ANNEXURE B** for reference.
- The asset schedule and asset summary and status report shall be generated on a quarterly basis as required under the Accounting Policies and Procedures Manual. The reports shall be generated by PAOs at the provincial level.
- The asset utilisation and maintenance report and asset analytics report shall be generated on a monthly basis by the asset manager at the district level.

- The strategic asset planning report will be developed by PAOs at the provincial level with due coordination and support from P&DD. The report will be prepared annually and will comprise appropriate qualitative and quantitative information.
- The PAO will be responsible for accounting for assets, ensuring all transactions involving public funds and/or donations are reflected at the Drawing and Disbursement Officer and CAMU level.

7.2.1 Fixed asset reporting framework

Administrative level	Report type	Objective	Utility
Facility level	Asset utilisation and maintenance report	Shows how frequently assets are used and their maintenance schedules. For a primary healthcare facility, this could mean the usage of computer labs or sports equipment.	Helps facility managers to plan for maintenance, foresee potential breakdowns, and allocate resources more efficiently.
District level	Asset summary and status report	Provides an overview of all the assets within the district, including their current status (operational, under maintenance, out of order).	Helps district administrators to identify areas with frequent breakdowns, allocate resources, and ensure all facilities within their jurisdiction are adequately equipped.
Provincial level	Provincial asset analytics report	Delves deeper into asset performance, maintenance schedules, and usage patterns across the province.	Enables provincial leaders to make informed decisions on procurement, budget allocations, and policy directions.
P&DD level	Strategic asset planning report	Focuses on the long-term strategic planning of assets, factoring in potential growth areas, areas of decline, and evolving needs.	Assists P&DD in formulating future strategies, budgeting for new acquisitions, and planning for replacements or upgrades.

ANNEXURE – A: FIXED ASSET STANDARD REPORTS

1. Fixed asset schedule as per IPSAS – health

EDUCATION/ HEALTH									
Assets schedule as of _____	Infrastructure Assets	Machinery & equipment	IT & Digital assets	Furniture & Fixtures	Utility & electrical	Vehicles	Intangibles	Controlled assets	Total
PKR in millions									
Opening NBV									
Additions through public funds [at cost]									
Additions through donations [at cost]									
Revaluations [surplus or (deficit)]									
Disposal [NBV] *									
Depreciation/ amortization									
Impairment									
Closing NBV									
Cost or revalution									
Accumulated depreciation									
Accumulated impairment loss									
Closing NBV									
Rate of depreciation/ amortization									
Disposals *									
Cost or revalution									
Accumulated depreciation									
Accumulated impairment loss									
Closing NBV of disposals									
Assets schedule as of _____ [last period comparative]									
PKR in millions									
Opening NBV									
Additions through public funds [at cost]									
Additions through donations [at cost]									
Revaluations [surplus or (deficit)]									
Disposal [NBV] *									
Depreciation/ amortization									
Impairment									
Closing NBV									
Cost or revalution									
Accumulated depreciation									
Accumulated impairment loss									
Closing NBV									
Disposals *									
Cost or revalution									
Accumulated depreciation									
Accumulated impairment loss									
Closing NBV of disposals									

2. Fixed asset utilisation summary

EDUCATION/ HEALTH										
Asset utilization, maintenace and analysis as of _____	Service capacity	Actual use	Remaining useful life	Cost	NBV	Maintenance type	Maintenance scheduled	Maintenance performed	Last maintenance date	Next maintenance date
Unit	hrs./X time	hrs./X time	years	PKR	PKR	unit	unit	unit	date	date
Asset Name/ Cat./Sub-cat. 1										
Asset Name/ Cat./Sub-cat. N										

ANNEXURE – B: STRATEGIC ASSET PLANNING QUESTIONNAIRE

HEALTH

Strategic asset planning report as at _____

Focus on services

Q.1: Have service capacities been defined for all assets at the time of creation and/or refurbishment? Are these capacities linked to an outcome, preferably an SDG-based KPI?

Q.2: What were the targeted capacities of technical assets (and cost) at the time of acquisition?
Q.3: What are the remaining capacities of technical assets including their value? Are the remaining capacities a true reflection of residual potential for services delivery?

Q.4: What is the residual value of assets being considered for disposal?

Q.5: For assets being considered for disposal – reapply questions 2 and 3.
Q.6: What is the total cost estimate of proposed additions? Are service capacities defined duly linked with outcomes for proposed additions?

Q.7: Are additions commensurate with the medium-term budgetary targets?
Q.8: Have recurrent costs (maintenance, technical personnel, travelling, etc.) been considered and included as part of the proposed additions?

Focus on delivery

Q.9: Have alternative options for achieving service delivery outcomes been considered?

Q.10: Is there a valid business case for partnering with the private sector for specialised areas of servicing?

Q.11: Can the business case be complemented with alternative financing arrangements – targeting the private sector?
Q.12: What type of technical assistance (integrated reporting system between public and private, contractual structuring, risk distribution, transaction structure, etc.) may be sought to ensure viability of the proposed business case?

Focus on the relevance and reliability of information

Q.14: What portfolio of assets is being carried under the revaluation model?

Q.15: Were revaluations that were due performed during the period?

Q.16: Were damaged and obsolete assets identified, assessed, and costed for impairment?
Q.17: Is there a financial model (where required) for backing up proposed additions where such additions attract significant infrastructure additions or require complex structuring with private sector partners?

Focus on accountability
Q.18: What are the PAO-wise and DHO-wise statistics of the assets portfolio, which include:
 - total cost, total NBV;
 - NBV of damaged, stolen and lost items;
 - cost and residual value of items being considered for disposal;
 - on-schedule maintenance performed/not-performed/N.A.;
 - services capacity vs. utilised;
 - target outcome based on asset portfolio ownership vs. actual outcome?

ANNEXURE – C: FIXED ASSET ANNUAL REQUISITION FORM (FAARF)

Sections	Sub-sections
Introduction	Purpose:
	Importance of accurate and timely submission:
	Fiscal year objectives for physical asset management:
Budget call Instructions	Submission deadline:
	Contact information for inquiries:
	Format and template for submission:
DOH objectives	Key department objectives for the year:
	Prioritisation criteria for asset requests:
Submission requirements	Detailed description of requested assets:
	Justification for each request:
	Expected cost and funding sources:
	Proposed timeline for acquisition and implementation:
Approval process	Steps in the review and approval process
	Criteria used for evaluation of requests
	Expected timeline for decision notifications
Additional Information	Links to guidelines or policies relevant to asset procurement
	ANNEXURE with status of last three year funded past requests
Signatures	

Instructions for completing FAARF

A. **General instructions:**

1. **Read the entire form before beginning:** Ensure you fully understand the purpose and requirements detailed in the form before you start filling it out.
2. **Use the specified format:** Fill out the form using the format and templates provided in the form. If a digital form is provided, use the specific software or web platform mentioned.
3. **Accurate and detailed entries** Provide complete and accurate information for each section required. Incomplete forms may result in delays or rejection of the request.
4. **Consult relevant sections/wings:** Coordinate with your finance, asset management, and other relevant sections/wings to gather accurate information and ensure that the request aligns with current departmental needs and compliance standards.
5. **Adhere to deadlines:** Submit the completed form by the deadline specified in the instructions. Late submissions may not be considered.

B. **Section-specific instructions:**

1. **Introduction:** Briefly state the intent to comply with the budget call and your department's strategic alignment with proposed asset acquisitions.
2. **Budget call instructions:** Confirm that all contact details are correct and that you are aware of where to send queries.
3. **Budget planning objectives/strategic goals for asset management:** Clearly outline how the requested assets align with the sector's objectives or strategic goals for the upcoming year.
4. **Submission requirements/detailed submission guidelines:**

    4.1. Description of assets: Provide a clear and detailed description of each asset requested, including specifications and quantities.
    4.2. Justification for requests: Explain the necessity of each asset and how it contributes to departmental functions or improves services.
    4.3. Expected cost and funding sources: Provide detailed cost estimates and identify the expected sources of funding.
    4.4 Timeline for acquisition and implementation: Outline the key milestones for acquiring and deploying the assets.

5. **Approval process/review and approval:** Indicate your understanding of the approval process and any responsibilities you have in this regard.
6. **Additional information/reference information:** An ANNEXURE giving the status of past requests funded in the last three years.
7. **Signature**: Ensure that the person authorised to submit asset requests signs the form. Include the date of signing.
C. **Final check and submission:**

    Review: Double-check the form for completeness and accuracy. Have another set of eyes from a relevant department review it if possible.

Submit: Submit the completed form through the designated channel—either electronically or in hard copy, as specified.

Fixed asset management planning calendar

This calendar outlines key activities, their respective deadlines, and the responsible parties. It is structured to ensure a coordinated approach across different levels of management and departments.

Activity	Date	Responsible person
1. Issuance of FAARF	10 January	CAMU at P&DD
2. FAARF distribution	11 January	CAMU nodes in provincial departments, after approval from PAO
3. Information session	20 January	CAMU nodes (to educate asset managers and facility managers)
4. Submission of initial requests	10 February	Asset manager will collect requirements from facility manager in districts
5. Compilation of district requests	20 February	Asset manager
6. Review and prioritisation at district level with DHOs	25 February	DHO and asset manager
7. Submission to provincial department	1 March	DHO
8. Provincial compilation and review	10 March	CAMU nodes in provincial departments
9. Finalisation of provincial requests	15 March	CAMU nodes in provincial departments
10. Provincial submission to PAO	20 March	CAMU nodes
11. Review by PAO	25 March	PAO
12. Approval and final budget allocation request to CAMU at P&DD	31 March	PAO
14. CAMU review and finalisation of provincial-level requirement	10 April	CAMU

The FAARF will establish the requirements for fixed assets, which will then inform and become an integral part of the overall Annual Development Plan of the province, particularly concerning capital expenditures. These requirements submitted through the FAARF will cover the acquisition and procurement of new fixed assets, new infrastructure, and renovations. Additionally, as the Government of Khyber Pakhtunkhwa plans to implement the AMIS, future submissions and processing of the FAARF will be facilitated through this digital platform, enhancing efficiency and transparency in asset management.

ANNEXURE – D: FIXED ASSET REGISTER FORMAT

Department name:
Asset category (from register index):
Asset sub-category:
Facility type:
Location:
Responsibility:

Asset ID	Asset description	Asset category	Department	Location	Date of acquisition	Acquisition cost	Funding source	Condition at acquisition	Current condition	Useful life	Depreciation method	Annual depreciation	Accumulated depreciation	Net book value	Last maintenance date	Maintenance frequency	Warranty expiry date	Responsible person	Vendor/supplier	Serial number	Disposal date	Method of disposal	Sale/disposal proceeds

Instructions:

Column	Description	Details/options
Asset ID	Unique identifier for each asset	Auto-generated or manually assigned
Asset description	Detailed description of the asset	Include model, brand, etc.
Asset category	Type of asset	Medical equipment, furniture, it equipment, etc.
Department	Owning or using department	Health, etc.
Location	Physical location of the asset	Facility name, room number, building, etc.
Date of acquisition	When the asset was acquired	DD/MM/YYYY
Acquisition cost	Purchase price or donation value of the asset	In local currency
Funding source	Source of funds for the asset acquisition	Government, donation, etc.
Condition at acquisition	Condition when the asset was received	New, used, refurbished
Current condition	Current state of the asset	Excellent, good, fair, poor, out of service
Useful life	Expected operational lifespan of the asset	Number of years
Depreciation method	Method used for calculating depreciation	Straight-line, reducing balance, etc.

Column	Description	Details/options
Annual depreciation	Depreciation expense for the fiscal year	Calculated per selected method
Accumulated depreciation	Total depreciation from acquisition to date	Sum of annual depreciation
Net book value	Current value of the asset (acquisition cost minus accumulated depreciation)	Calculated value
Last maintenance date	Date of the most recent maintenance	DD/MM/YYYY
Maintenance frequency	How often the asset requires maintenance	Annually, bi-annually, quarterly, etc.
Warranty expiry date	Expiry date of the warranty, if applicable	DD/MM/YYYY
Responsible person	Person responsible for the asset	Name or job title
Vendor/supplier	Company from which the asset was purchased	Company name
Serial number	Manufacturer's serial number	Unique serial identifier
Disposal date	If the asset has been disposed of, date of disposal	DD/MM/YYYY
Method of disposal	How the asset was disposed of	Sold, donated, scrapped, etc.
Sale/disposal proceeds	Amount received from disposing of the asset	In local currency
Notes	Additional relevant information about the asset	Any other relevant information

Note: With the integration of the AMIS, the fixed asset register will be fully configured within the AMIS, streamlining data entry, tracking, and reporting processes.

ANNEXURE – E: FORMS AND TEMPLATES

1. Form for transfer of movable fixed assets
2. Fixed asset (in-year) procurement request form
3. Fixed asset receipt note
4. Request for disposal of fixed asset form
5. In-kind fixed asset form
6. Template for preparing repair and maintenance budget for fixed assets.

1. Form for transfer of movable fixed assets

Section	Information required	Details/options
1. Transferor department information	Department name:	
	• Location	
	• Contact person	
	• Contact email	
	• Contact phone number	
2. Transferee department information	Receiving department name:	
	• Location	
	• Contact person	
	• Contact email	
	• Contact phone number	
3. Asset details	• Asset identification number	
	• Asset description	
	• Asset category/type	
	• Serial number	
	• Current asset condition	
	• Date of acquisition	
	• Original purchase price	
	• Current book value	
4. Reason for transfer	Reason:	- Surplus to current department needs - Better utilisation in another department - Replacement of similar asset - Other (specify): _____
5. Transfer details	• Date of transfer:	
	• Mode of transportation	
	• Special handling instructions	
6. Approval and signatures	Authorised signatory (transferor department)	Signature: Date:
	Authorised signatory (transferee department)	Signature: Date:
7. Acknowledgement of receipt by transferee department	• Received by (name and position)	
	• Date received	
	• Condition on receipt	- As described - Damaged (describe damage):
	• Comments/additional notes	
8. Document attachments		- Photocopy of original purchase document - Asset condition report

Section	Information required	Details/options
		- Approval documentation from both departments - Other relevant documents

The transfer form for movable fixed assets will be processed through the AMIS, ensuring that all workflow steps and approvals are managed digitally within this system.

2. Fixed asset (in-year) procurement request form

This form provides an organised way to fill out the necessary details for the procurement of fixed assets that **were not initially part of the annual FAARF.**

Section	Information required	Details
Requestor department information	• Department name	
	• Location	
	• Contact person	
	• Contact email	
	• Contact phone number	
Asset category	Choose asset category	[ ] Medical equipment [ ] Plant and machinery [ ] Furniture [ ] Electrical equipment [ ] Office equipment
Detailed asset description	• Asset name/type	
	• Specifications/model	
	• Quantity required	
	• Urgency level	[ ] High (immediate) [ ] Medium (within three months) [ ] Low (within six months)
Justification for urgent procurement	• Reason for request (not included in PABCC)	
	• Impact of not acquiring	
Cost estimation	• Estimated unit costs	
	• Total cost	
	• Proposed funding source	
Vendor information (if available)	• Vendor name	
	• Vendor contact information	
	• Previous experience with vendor	[ ] Yes [ ] No
Required approvals	Department head signature	Signature: Date:
Additional information	Comments/notes:	
Attachments		[ ] Quotes from vendors [ ] Technical specifications [ ] Justification report [ ] Other documents

3. Fixed asset receipt note

Section	Information required	Details/options
1. Receipt note number		(Auto-generated)
2. Date of receipt		(Current date)
3. Supplier/donor information	• Name:	
	• Contact information:	
	• Type:	[ ] Supplier [ ] Donor
	• Project details (if applicable):	Project name:
	• Project ID:	
4. Asset details	• Asset identification number	
	• Asset description	
	• Asset category/type	
	• Quantity received	
	• Condition of asset on arrival	[ ] New [ ] Used [ ] Needs repair
5. Procurement type	Type of procurement	[ ] In-kind donation [ ] Project procurement
6. Financial information	Cost (if procured)	
7. Funding source		
8. Receiving department	• Department name	
	• Location	
	• Receiver's name (person)	
	• Receiver's signature	
9. Inspection and verification	• Inspected by	
	• Date inspected	
	• Inspection notes	
10. Approval for asset registration	Approved by	
	• Approval signature	
	• Approval date	
11. Additional information	Comments/notes	

Attachments:

[ ] Delivery documents

[ ] Warranty cards

[ ] Other relevant documents

4. Form for request for disposal of fixed asset

Section	Information required	Details/options
Form number		(Auto-generated)
Date of request		(Current Date)
Department details	Department name	
	• Location	
	• Contact person	
	• Contact email	
	• Contact phone number	
Asset details	• Asset identification number	
	• Asset description	
	• Asset category/type	
	• Date of acquisition	
	• Current book value	
	• Condition of asset	[ ] Obsolete [ ] Surplus [ ] Unserviceable
Reason for disposal	• Full reasons for condemning the asset	
	• Proposed method of disposal	[ ] Sale [ ] Public Auction [ ] Other (Specify): _____
Approval for disposal	Signature of competent authority	Authority Competent to Sanction Disposal
	• Date	
Financial considerations	• Estimated value for disposal	
	• Additional charges (if applicable)	

Instructions for completing the form:

- Fill in all the sections with the required details, making sure the asset description and reason for disposal are detailed and justified.
- The proposed method of disposal should be selected based on the asset condition and departmental guidelines.
- Attach all necessary documentation, including approvals and references to the Book of Financial Powers or relevant schedules.
- Submit the form to the competent authority for approval before proceeding with the disposal.

5. In-kind fixed asset form

Section	Information required	Details/options
Receipt form number		(Auto-generated)
	Date of receipt	(Current date)
Development partner details	Name	
	Contact information	
Project details	Project name	
	Project reference number	
Asset details	Asset identification number	
	Asset description	
	Asset category/type	(e.g. Medical equipment, IT equipment, furniture)
	Quantity received	
	Condition of asset on arrival	(New, used, needs repair)
In-kind donation details	Type of in-kind donation	(e.g. vehicle, office equipment)
	Value (if applicable)	
Receiving department	Department name	
	Location	
	Receiver's name (person)	
	Receiver's signature	
Inspection details	Inspected by	
	Date inspected	
	Inspection outcome	(Conform to Specifications, Discrepancies Noted)
Approval for asset registration		Approved by
Additional information		Comments/Notes

Attachments (delivery challan, inspection report, etc.)

Instructions for use:

- *Complete each section:* Ensure all fields are filled out with accurate and relevant information to maintain a comprehensive record of the asset received.
- *Document verification:* Use the form during the asset receipt to verify that the items match the description and quantity expected.
- *Approval and inspection:* The form must be approved by the designated authority after a thorough inspection to confirm asset condition and compliance with specifications.
- *Asset registration:* Following approval, the asset details should be entered into the fixed asset register to maintain updated records of all assets.

6. Template for preparing repair and maintenance budget for fixed assets

Section	Particulars
Facility information	Facility name:
	Type (health):
	Location:
	Facility manager:
Base funding level	Standard budget allocation:
	Fixed amount per facility (if applicable):
Adjustments for facility age	Age of facility:
	Additional funds allocated (based on age):
Usage intensity considerations	Average daily footfall:
	Adjusted budget for high usage:
Review of maintenance history	Previous neglect identified:
	Additional funds for maintenance backlog:
Environmental factors	Environmental risks (e.g. weather, natural disasters):
	Adjusted funds for environmental risks:
Facility manager input	Specific needs identified by manager:
	Funds allocated for specific needs:
	Maintenance budget as per manufacturer guidelines:
Annual budget review	Previous year's actual vs. budget analysis:
	Adjustments for next fiscal year:
Inflation adjustment	Inflation rate considered:
	Adjusted budget to account for inflation:
Total repair and maintenance budget for the year	Total allocated funds:

Instructions for use:

- **Facility information:** Fill in the basic details about the facility including the type, location, and the facility manager responsible.
- **Base funding level:** Set a baseline budget for standard upkeep based on a fixed amount or percentage of the total budget.
- **Adjustments for facility age:** Increase funds for older facilities requiring more extensive maintenance.
- **Usage intensity considerations:** Adjust the budget higher for facilities with a higher footfall to account for increased wear and tear.
- **Review maintenance history:** Allocate additional funds to facilities that have a history of being neglected to address any maintenance backlog.
- **Environmental factors:** Factor in additional budget for facilities in areas prone to harsh weather conditions or environmental risks.
- **Facility manager input:** Include adjustments based on feedback from the facility manager who can provide details on specific issues or needs.
- **Annual budget review:** Use the end-of-year review to adjust the next year's budget based on spending patterns and actual maintenance needs.
- **Inflation adjustment:** Update the budget to reflect current economic conditions and ensure the purchasing power of the allocated funds is maintained.

ANNEXURE – F: STEP-BY-STEP PROCESS FOR ESTABLISHING BUDGETARY NORMS FOR OPERATION AND MAINTENANCE OF FIXED ASSETS

Step 1: Asset classification
Action: Classify fixed assets based on type (e.g. buildings, vehicles), usage (office, service delivery), size, amenities, condition, and location.
Responsible: Communication and Works Department for classification guidelines; individual departments (Health) for asset inventory management.

Step 2: Data collection and analysis
Action: Collect and analyse data regarding the current condition and maintenance history of assets. Utilise condition inspection surveys and historical maintenance records.
Responsible: Facility managers and repairs and maintenance departments within the DOH.

Step 3: Development of budgeting templates and norms
Action: Develop repair and maintenance budgeting templates that consider asset classification, repair frequency, and cost drivers like labour, materials, and overheads. Consider regional variations in cost.
Responsible: Finance Department, with input from the Communication and Works Department.

Step 4: Set cost drivers and multipliers
Action: Define cost drivers based on asset conditions and operational requirements. Establish multipliers for different asset categories to adjust for service delivery requirements, building size, and asset condition.
Responsible: Communication and Works Department, with consultation from DOH.

Step 5: Pilot and refine budgeting norms
Action: Implement the newly developed budgeting norms in pilot departments or facilities. Monitor outcomes and gather feedback.
Responsible: Pilot facilities within the DOH, coordinated by the Finance Department.

Step 6: Assessment and adjustment
Action: Assess the effectiveness of the budgeting norms after a full fiscal cycle. Adjust the budgeting norms based on the lessons learned and feedback from the pilot implementation.
Responsible: Finance Department, with feedback from the DOH.

Step 7: Sector-wide implementation
Action: Roll out the refined budgeting norms across all relevant facilities province wide. Provide training and support for the implementation.
Responsible: Finance Department, supported by the DOH.

Step 8: Ongoing review and updates
Action: Establish a schedule for regular reviews of the repair and maintenance budgeting norms. Update the norms and guidelines based on changes in economic conditions, asset usage, and technological advancements.
Responsible: Finance Department.

ANNEXURE – G: FIXED ASSET MANAGEMENT CLASSIFICATION FRAMEWORK

Adopting a three-level asset classification framework offers myriad benefits, especially when considered in the context of the Government of Khyber Pakhtunkhwa's anticipated implementation of a web-based AMIS. The following is an in-depth explanation of the benefits of the framework:

Granularity and specificity: The four-tiered structure allows for a broad category at the top level, breaking down into more specific sub-categories in the subsequent levels. This granularity ensures that every asset can be pinpointed accurately, minimising ambiguities. For example, 'Machinery and equipment' can be refined to 'Medical equipment', and further detailed as 'Diagnostic devices' or 'surgical instruments'.

Ease of recording in AMIS: With the introduction of the AMIS, the structured classification simplifies the process of recording new assets. When a new item is acquired, it can be easily categorised within the system, ensuring assets are not miscategorised or overlooked. This systematic approach reduces errors and maintains consistency in asset recording across health facilities.

Efficient reporting through AMIS: The system, with its digital interface, will facilitate streamlined reporting. Whether it is for internal audits, financial statements audit, or compliance audit, a well-structured classification ensures that data extraction is straightforward and instantaneous. This digital advantage amplifies the benefits of the three-level classification.

Optimised asset management: The framework, combined with the AMIS, will revolutionise asset management. Managers can determine maintenance schedules, predict asset lifecycles, and make informed decisions about replacements or upgrades, all through a centralised digital platform. This synergy enhances asset longevity and enables cost savings.

Global standards and local relevance: The multi-tiered classification aligns with global best practices, such as those stipulated by IPSAS and GFSM. This ensures the system's compatibility with international benchmarks, aiding potential external audits or collaborations, while also catering to local needs.

Decision-making in real time: With the AMIS providing real-time data based on the classification, decision makers can effectively allocate budgets, prioritise tasks, and strategise future acquisitions. The system's accessibility to all facility managers and district officials ensures that data-driven decisions are made across the board.

The impending web-based AMIS will act as a catalyst. Configuring the new classification system into the AMIS is not just about digitising records: it is also about empowering facility managers and district officials. With access to the system, they can record, manage, and generate reports, leading to a more informed and efficient asset management approach.

The proposed fixed asset management classification

This section presents the suggested asset classification framework, derived from consultations with provincial and district officials, on-site assessments at various facilities, and a comprehensive review of relevant documents.

The proposed asset management classification structure, specifically tailored for Khyber Pakhtunkhwa's primary and secondary healthcare facilities, represents a pivotal step towards a more organised and efficient management of resources. Designed to integrate seamlessly with the AMIS, this structure is more than just a categorisation tool: it is a forward-looking strategy that underscores Khyber Pakhtunkhwa's commitment to enhancing the quality of its public services.

At its core, the quad-segmented architecture is designed for clarity, simplicity, and precision. The first segment, capturing the essence of the institution, details its function, type, and services offered. This foundational layer ensures that assets are associated with their respective operational environments. The second segment provides geographical context, pinpointing the asset's location down to the district, the type of infrastructure housing it, and its specific departmental placement. Such granularity not only facilitates swift asset identification and management but also ensures that each asset is uniquely identifiable.

The 'fund' segment sheds light on the financial and provisioning origins of each asset. This segment provides a comprehensive overview of who sponsored the asset, from which specific programme it was funded, and the nature of the provision—whether in-kind or monetary. The fourth segment delves deep into the specifics of the asset itself, categorising it by major, minor, and detailed classifications. This systematic tiered approach aids granular tracking, optimal utilisation, and efficient maintenance.

The rationale behind this comprehensive four-dimensional framework is multifaceted. It streamlines the asset management process, ensuring every asset, irrespective of its nature or location, is methodically catalogued. By integrating details like operational context, geographical location, exact specifications, and funding source, the framework offers a holistic view of each asset. Furthermore, aligning with international standards like ISO, this structure ensures that Khyber Pakhtunkhwa adheres to global best practices, thus paving the way for potential collaborations and partnerships, and elevating its asset management capabilities to a global standard.

Four-dimensional fixed asset classification

Institution	Location	Fund	Asset category
Function	District	Sponsor	Major
Type	Infrastructure	Program	Minor
Services	Department	Kind	Detailed

Fixed asset classification description

Segment	Level	Description
Institution	Function	Operational level of the facility: primary or secondary healthcare for health
	Type	Specific type of facility: Rural Health Centres, Basic Health Units, CDs for health
	Services	Specific services/programmes: immunisation or maternal care for health
Location	District	Geographical administrative unit where the facility is located
	Infrastructure	Type of infrastructure: service delivery or residential
	Department	Specific department/unit: radiology or paediatrics for health;
Fund	Sponsor	This element identifies the primary entity or organisation that has financed or provided the asset. It essentially pinpoints the origin of the asset's funding or provision. (Government of Khyber Pakhtunkhwa budget, federal government, or donated)
	Programme	This element elaborates on the specific programme through which the asset was procured or received
	Kind	This element classifies the nature of the asset's provision, determining whether it was a direct financial contribution or a tangible donation
Asset category	Major	Broad classifications: machinery, land, building
	Minor	Specific types under major categories: medical equipment or IT equipment under machinery
	Detailed	Granular level: MRI machine under medical equipment; desktop computers under IT equipment

The first segment, termed **'Institution**', provides a macro perspective. The 'Function' pinpoints the operational level, distinguishing between primary, and secondary healthcare facilities. The 'Type' element further refines this by identifying specific facility types, such as Rural Health Centres, Basic

Health Units, CDs, and MCH Centres for health. Lastly, 'Services' categorises the distinct services rendered by these facilities—in health this could be special, vocational etc.—ensuring stakeholders understand the breadth and depth of services offered.

The **'Location'** segment zooms into the geographical and infrastructural specifics. 'District' offers a geographic demarcation, aiding in regional asset management. The 'Infrastructure' element distinguishes between residential and service delivery structures, allowing for nuanced asset allocation and management. The 'Department' element further narrows down the focus, recognising the distinct departments within health facilities, thus facilitating targeted asset management.

The '**Fund**' segment of the asset management framework offers insight into the financial and provisioning origins of each asset within Khyber Pakhtunkhwa's DOH. The 'Sponsor' element identifies the primary benefactor, be it local entities like district or provincial governments, federal interventions, or donations from international development partners and local non-government organisations. The 'Programme' element distinguishes between assets procured from specific programme budgets, facilitating accurate budgetary planning and oversight. Meanwhile, the 'Kind' element demarcates assets provided either as monetary contributions or directly in physical form, ensuring clarity in inventory and financial reporting.

The final segment, **'Fixed asset category'**, delves into the minutiae of the assets. It starts with the 'Major category', which is a broad classification of assets. This funnels down to the 'Minor' category, offering a more detailed classification. The last element is the 'Detailed' category, providing an exhaustive breakdown of assets.

Fixed asset category – DOH

The asset classification is a crucial framework. Tailored to resonate with the specific needs of primary and secondary healthcare facilities, including Basic Health Units, Rural Health Centres, Tehsil Headquarter Hospitals, and District Headquarter Hospitals, this classification captures the breadth and depth of operational assets. These facilities, as the frontline of healthcare delivery, require a system that encompasses everything from foundational infrastructural units to advanced medical equipment. While reflecting current needs, the structure is also designed to be adaptive, ready to accommodate future technological and operational advancements. It showcases Khyber Pakhtunkhwa's vision, where the classification is not just a static document but is also a dynamic tool. It evolves with the changing healthcare landscape, ensuring that it remains relevant and continues to provide utility in diverse healthcare scenarios.

Asset category classification for health

Major	Minor	Detailed
1. Infrastructure Assets	1.1. Land	1.1.1. Hospital land
		1.1.3. Parking areas
	1.2. Buildings	1.2.1.Main hospitl buidling
		1.2.2. Administrative buildings
		1.2.3 Redidential block
2. Medical Machinery & Equipment	2.1. Diagnostic Equipment	2.1.1. X-ray machines
		2.1.2. Ultrasound machines
		2.1.3. CT Scan Machines
		2.1.4. ECG
		2.1.5 Echocardiography
		2.1.6. Ophthalmology unit equipment
		2.1.7. Laboratory diagnostic tools
	2.2. Surgical Room Equipment	2.2.1. Operation tables
		2.2.2. Complete Dental unit
		2.2.3. Anesthesia machines
		2.2.4. Ventilators
		2.2.3. Surgical lights
	2.3. Labour Room Equipment	2.3.1. Fetal heart monitors
		2.3.2. Delivery beds
		2.3.3. Resuscitation equipment
	2.4. Immunisation Equipment	2.4.1. ILR
		2.4.2. Fridge
		2.4.3. Ice Box
3. IT & Digital Assets	3.1. Hardware	3.1.1. Computers & workstations
		3.1.2. Patient record servers
		3.1.3. Networking devices
		3.1.4. CCTV security cameras
	3.2. Software & Licenses	3.2.1. Hospital management software
		3.2.2. Diagnostic software
		3.2.3. Research and analytics software
4. Furniture & Fixtures	4.1. Ward Furniture	4.1.1. Beds
		4.1.2. Cabinets
	4.2. Office Furniture	4.2.1. Desks
		4.2.2. Chairs
		4.2.3. Filing cabinets
	4.3. Lobby & Waiting Area Furniture	4.3.1. Benches
		4.3.2. Tables
5. Utility & Electrical Equipment		5.1.1. Solar panel systems
		5.1.2. Water pumps & motors
		5.1.3. Generators
		5.1.4. Heavy Batteries and Stabilizers
		5.1.5. Air-conditioning plants
6. Vehicles	6.1.Office	6.1.2. Car
		6.1.2 motor cycle
	6.2. Service delivery	6.2.1 Ambulances
		6.2..2. Other

ANNEXURE – H: DOMAIN-DRIVEN ARCHITECTURE – AMIS

An AMIS shall be implemented to maintain the assets registers and extend the same, with appropriate rights, to various units/offices/facilities being operated by the DOH. In extending the use of the technology, the DOH will consider the use of seamless internet connectivity, mobile application versions of the AMIS, information security requirements, and back-up, to ensure real-time connectivity.

The software will, at the minimum, enable the following:

(ii)   Maintain a fixed asset classifications structure as per this policy (i.e. system configuration).

(iii)   Generation of fixed asset tag numbers and integration with the registry process.

(iv)   An e-document repository maintained throughout a fixed asset lifecycle.

(v)   End-to-end process management for repairs, maintenance, and disposals, including facilitation of requests from the fixed asset user.

(vi)   Reporting against scheduled repairs, disposal, inspection, asset count, revaluation, and impairments.

(vii)   A notification panel that flags asset items due for registration, repairs, revaluation, impairment testing, revision in useful life, and disposal.

(viii) Setup for automated depreciation and amortisation routines.

(ix)   User rights definition and workflow.

To undertake advanced monitoring, as well as effective utilisation of assets, the DOH may consider adopting the following technologies in future:

(i)   Data intelligence systems that draw on data from multiple sources to create a new set of metrics that link, for example, the satisfaction of occupiers within a particular building serving the public and the outputs delivered to the public, e.g. asset-to-faculty ratio, asset technology relative to teacher qualification, specialised medical equipment per room/ patient. When combined with data on the cost of space, this can lead to more informed strategic decisions on the estate and tactical decisions on repair and maintenance strategies.

(ii)   Sensor technology that can enable the climate, air quality, and internal environment to be tailored to the use being made of a room, zone, or floor by linking space utilisation data with a building management system. The use of such technology relies on business intelligence systems that feed input to reconfigure space and improve utilisation levels.

The following domains will constitute the entirety of the AMIS from a technology perspective. The architecture may be updated to include additional domains as and when these are identified.

A. Portal

A01. Information Services

- Assets schedule;
- Assets utilization & maintenance report;
- Asset planning report

A02. Transaction Services

- Tag generation;
- Request for maintenance;
- Request for new acquisitions;
- Proposal for disposals;
- Requests for modifying authority;
- Calling inspection;
- Change in asset particulars, including condition

B. MIS Application Module

B01. Fixed assets tagging	B02. Asset tracking & maintenance
B03. Asset planning	B04. Financial planning
B05. Asset performance	B06. Stock-take/ Inspection management

D. MIS and Reporting

D01. Business Intelligence and Reporting

F. Workflow management

| F01. Document Mgt. System | F02. Content Mgt. System | F03. Workflow Engine | F04. Business rules |

G. MIS Database

| G01. Assets technical information | G02. Assets financial information | G03. Logs and trails | G04. Entity Information |

C. Enterprise (CAMU) Operations

C01. Assets & inventory management

C02. Expenditure management

C03. Accounting and reporting

C04. IT infrastructure management

C05. Human Resource management

E. Interfacing IT System

E01. P&D Board

E02. Finance Dept. (IFMIS)

E03. District Offices and Facilities

E04. C&W

System Interface for data exchange

LAN/Internet/VPN

Internet

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GUIDELINES

Fixed Asset Management

2024

Elementary and Secondary Education

Foreword

In the pursuit of optimizing and streamlining asset management, these guidelines place significant emphasis on aligning processes, systems, people, and data. Their core objective is to ensure comprehensive asset life cycle management, spanning from initial acquisition to operation, ongoing management, and eventual disposal.

Amidst the dynamic landscape of modern public services, the imperative of effective and transparent management of fixed assets becomes increasingly pronounced. These fixed assets constitute the essential foundation for service delivery, contributing to its efficiency, effectiveness, and fairness.

At their heart, these guidelines underscore the importance of synchronization and collaboration. While the approach to asset management is still in its early stages, the guidelines focus on centralized management as an initial step. This involves ensuring the registration and accounting of all assets.

In keeping with their principles, these guidelines adopt an accounting framework for assets from IPSAS as a fundamental reference. This framework serves as the foundation for detailing various facets of asset management across the entire asset life cycle. These guidelines are tailored for the E&SED in Khyber Pakhtunkhwa and underscore our commitment to excellence and accountability.

Within the educational institutions, the management of fixed assets, ranging from furniture to buildings, plays a pivotal role in shaping the province's future.

Upon the successful implementation of a centralized recording system, the data collected can be harnessed to generate valuable reports. These reports provide insights into the fixed asset base of the E&SE Department, enabling accountability, determining the social return on assets, and facilitating robust budgeting.

As the asset management system matures, and subject to assessments of its effectiveness, the guidelines may evolve to incorporate a decentralized approach for certain assets and their management. Integral to these guidelines is a focus on capacity building, designed to align asset management practices with ISO 55001 standards.

These guidelines embody our vision for a prosperous and progressive Khyber Pakhtunkhwa. We aspire to a province where fixed assets aren't just managed but optimized. These Fixed Asset Management Guidelines mark a significant stride towards realizing this vision, setting new standards in public service delivery through their implementation.

Mr. Amer Sultan Tareen
Secretary Finance

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List of Abbreviations

AMIS	Asset Management Information System
APPM	Accounting Policies and Procedures Manual
CAMU	Central Asset Management Unit
DDO	Drawing and Disbursing Officer
DEO	District Education Officer
E&SED	Elementary and Secondary Education Department
FAM	Fixed Asset Management
IPSAS	International Public Sector Accounting Standards
ISO	International Organization for Standardization
IT	Information technology
KP	Khyber Pakhtunkhwa
MMS	Master Maintenance Schedule
P&DD	Planning and Development Department
PAO	Principal Accounting Officer
PFM	Public Financial Management
R&M	Repairs and maintenance
RFID	Radio Frequency Identification
RMS	Routine Maintenance Schedule
SAMP	Strategic Asset Management Plan

1   Introduction

The Fixed Asset Management Guidelines for Khyber Pakhtunkhwa have been meticulously prepared based on the comprehensive Fixed Asset Management Policy, ensuring that the practical application of these guidelines aligns with the overarching policy objectives and principles.

1.1   Objectives and Purpose

The Fixed Asset Management (FAM) Guidelines for Khyber Pakhtunkhwa (KP) for elementary and secondary education facilities are developed to address and resolve the endemic challenges identified within the education through extensive stakeholder consultations, on-site field visits and desk review. These guidelines aim to refine and elevate asset management practices by introducing standardized processes, leveraging advanced technology, and ensuring robust governance and oversight. The goal is to ensure efficient, accountable, and transparent management of fixed assets, thereby optimizing resource allocation, enhancing service delivery, and maintaining high standards of public services.

1.2   Key Challenges and Strategic Solutions

Fragmented Asset Registers and Categorization: The guidelines propose a sophisticated Fixed Asset Classification System, providing a structured and standardized approach to categorize assets across multiple dimensions, including institution type, location, function, and funding source. This initiative promises to streamline asset management by offering a clear and comprehensive view of assets, facilitating easier tracking, maintenance, and strategic planning.

Inadequate Physical Asset Tracking and Depreciation Policies: Addressing the absence of physical tagging and coherent depreciation policies, the guidelines mandate the implementation of systematic physical tagging for real-time asset verification and introduce detailed depreciation guidelines tailored to the specific nature and use of each asset class. These measures aim to maintain accurate asset valuation and support informed decision-making regarding asset maintenance, repair, or replacement.

Capacity Building and Governance Challenges: The guidelines emphasize the establishment of robust governance structures, including the creation of a Central Asset Management Unit (CAMU) and sector-specific nodes, to oversee and guide FAM practices. Complemented by an aggressive capacity-building program, these initiatives are designed to empower stakeholders with the necessary skills and knowledge for effective asset management, ensuring the guidelines' successful implementation and sustainability.

Legislative and Policy Gaps: In response to gaps identified in the KP PFM Act 2022 and other regulatory frameworks, the guidelines call for more explicit provisions for fixed asset management. They advocate for the establishment of clear, actionable policies and standards that support comprehensive and uniform FAM practices across KP's educational institutions.

1.3 Comprehensive Approaches and Innovations

Asset Management Information System (AMIS): Central to the FAM framework is the deployment of AMIS, a cutting-edge digital platform that ensures dynamic tracking, categorization, and analysis of fixed assets. AMIS is designed to work in tandem with the Fixed Asset Register, offering real-time monitoring, data-driven insights, and compliance with international standards, thereby facilitating informed, timely, and strategic asset management decisions.

Data Management and Transparency: Acknowledging current deficiencies in asset data management, the guidelines introduce rigorous data management practices. These include the creation of a unified asset register and a classification system that rectifies fragmentation and incompleteness, enhancing both operational efficiency and financial transparency.

Depreciation and Maintenance Frameworks: The guidelines propose nuanced depreciation methodologies and maintenance allocation strategies based on detailed analyses of asset types, usage patterns, and sector-specific needs. This ensures that assets are maintained optimally, their value is accurately represented, and resources are allocated efficiently, supporting the longevity and functionality of critical infrastructure.

Refined Asset Disposal Processes: By streamlining asset disposal procedures based on clear, objective criteria and leveraging digital management tools, the guidelines aim to expedite the disposal process. This ensures that assets are disposed of in a timely, efficient, and environmentally responsible manner, mitigating wastage and optimizing asset inventories.

The Fixed Asset Management Guidelines for Khyber Pakhtunkhwa represent a foundational shift towards a more systematic, transparent, and efficient approach to managing fixed assets within the province's vital education. By addressing the multifaceted challenges with comprehensive, technology-driven solutions, and by establishing a clear governance framework, these guidelines are set to significantly improve the stewardship of public assets. The strategic implementation of these guidelines promises to enhance public service delivery, ensure better utilization of resources, and foster a culture of accountability and excellence in asset management across Khyber Pakhtunkhwa.

The development of Fixed Asset Management in Khyber Pakhtunkhwa follows a hierarchical process: starting with the policy formulation, followed by these guidelines, and finally, detailed operational manual will be developed. This structure ensures a strategic approach where the policy sets the overarching goals and principles. Subsequently, the guidelines provide a framework and direction for achieving these policy objectives ("what" and "why" of the fixed asset management). The operational manuals will detail the specific process flows, roles and responsibilities, and step-by-step procedures, translating the strategic guidance into actionable steps ("how"). This tiered approach facilitates clear distinction and coherence between policy intentions, strategic frameworks, and practical execution. In these guidelines, key sections cover governance, planning, acquisition, accounting, control, maintenance, and reporting frameworks, each detailed with strategies, and operational guidelines to ensure efficient, accountable, and transparent management of fixed assets, optimizing resource allocation and enhancing public service delivery.

2   Roles and responsibilities

2.1   CAMU at the Planning & Development Department

Role & Importance: The CAMU will serve as the nucleus of the entire fixed asset management governance structure. Entrusted with Public Investment Management, the P&DD is strategically positioned to provide overarching guidance, ensuring that FAM policies align with the province's broader development goals. P&DD's pivotal role in public investment management makes it the ideal department to spearhead the fixed asset management initiative, thus, CAMU will be housed in P&DD. By centralizing oversight within P&DD, there's a single point of accountability, ensuring that FAM policies are consistent, data-driven, and in line with the province's broader development objectives.

Responsibilities:

- Develop, review, and periodically update the FAM policy and guidelines.
- Monitor the implementation of the FAM policy across various service delivery sectors.
- Consolidate and analyze data on fixed asset status and performance from all sectors.
- Offer strategic guidance to sectoral nodes in Education.

2.2   CAMU Nodes: Fixed Asset Management Experts in Provincial E&SED

Role & Importance: These nodes (experts) will act as bridges, translating the overarching directives from P&DD into actionable plans within their respective departments. They are the linchpins ensuring that the fixed asset management policy's vision is realized on the ground. Given the vastness of the public sector, a one-size-fits-all approach to FAM won't work. The FAM Experts within the E&SE Department can tailor the FAM guidelines to the unique and emerging needs of their sectors, ensuring greater efficiency and effectiveness.

Responsibilities:

- Coordinate the FAM activities within their departments, ensuring that the ground-level activities align with the provincial FAM policy.
- Liaise with the Junior FAM Experts at the district level, providing them with guidance and support.
- Regularly report to the CAMU in P&DD, ensuring that the department's FAM activities are transparent and accountable.

2.3   Grassroots Implementation: Asset Manager at District Level

Role & Importance: These asset managers are the foot soldiers of the FAM governance structure. Positioned at the district level, they have a pulse on the ground realities and are crucial for the effective implementation of the FAM policy. A top-down approach to governance can often be detached from ground realities. By having junior experts at the district level, the FAM governance

3

structure ensures that policies are responsive, adaptable, and attuned to the unique challenges of each district.

Responsibilities:

- Oversee FAM activities within their districts, from asset acquisition to data entry into the Asset Management Information System (AMIS).
- Coordinate with individual schools, ensuring that they adhere to the FAM guidelines.
- Regularly report to the FAM Experts in their respective departments, ensuring a continuous feedback loop.

Figure: Responsibilities of Different tiers in Physical Asset Management

Governance

CAMU (P&DD)

- Enforce, review and update the assets reporting framework;
- Supervise development of Strategic Asset Planning Report [SAPR];
- Consider significant investments in health/education base through inclusion in the ADP
- Oversee uniform classification of assets;
- Furnish criteria for determining high-value assets, satisfactory evidence, disaggregation of assets;
- Serve as the final authority on asset policy decisions for removal of ambiguities;
- Service and implement technology systems for undertaking assets management.

Provincial

E&SED
PAO
CAMU NODE
Experts

- Oversee accounting of assets;
- Prescribe guidelines for classification of assets;
- Develop asset management reports including SAPR;
- Compile district and facility level requirements for appropriate budgeting;
- Oversee registry and tagging of assets;
- Prescribed guidelines for lost and stolen assets including certification to that effect;
- Plan and perform stock take, spot checks and inspection of assets;
- Approve proposal for disposals and adjudicate disposal proceedings;
- Prescribe criteria for undertaking non-routine maintenance;
- Define a capitalization threshold, assets to be deemed controlled assets, grouping of disaggregated assets, policy for carrying a class of assets under the revaluation model, assign an impairment testing calendar;

District

DEO
Asset Managers
Head of Facility

- Perform accounting of assets, including registry and tagging;
- Schedule maintenance routines, including non-routine maintenances;
- Update asset condition;
- Request assessment for revaluation and/ or impairment;
- Record asset performance data along with necessary beneficiary information;
- Report items that are lost, stolen or significantly damage;
- Request transfer of assets;
- Facilitate stock take, spot checks and inspection of assets; and
- Submit proposal for disposals.

3 Fixed Assets Planning and Budgeting

3.1 Developing a Strategic Asset Management Plan (SAMP) for E&SED

Develop a comprehensive Strategic Asset Management Plan for the E&SED ensuring that infrastructure investments are made strategically, assets are managed efficiently throughout their lifecycle, and financial resources are utilized sustainably. By following these detailed guidelines, the departments can ensure that the fixed assets within these sectors continue to support high-quality service delivery now and into the future. (ANNEXURE -B)

1. **Strategic Planning and Asset Identification**
   - Develop an Asset Registry: Create a comprehensive registry of all assets within the E&SED, including physical buildings, equipment, and technology systems.
   - Define Asset Criticality: Evaluate and categorize assets based on their criticality to service delivery, prioritizing those essential for the core functions of education facilities.
2. **Assessment of Long-term Infrastructure Needs**
   - Conduct Needs Assessments: Regularly perform needs assessments to identify current and future infrastructure requirements, considering demographic changes and service demand projections.
   - Establish Investment Priorities: Prioritize investments based on the criticality of assets, potential impact on service delivery, and alignment with strategic objectives of the E&SED.
3. **Lifecycle Management and Strategic Objectives**
   - Develop Lifecycle Management Strategies: Implement strategies for the entire lifecycle of assets, from acquisition and use to disposal, ensuring optimal performance and value from each asset.
   - Align with Strategic Objectives: Ensure that asset management practices support the broader strategic objectives of improving service delivery, enhancing accessibility, and promoting sustainability in the E&SED.
4. **Capital Budgeting Process**
   - Integrate Planning into Budgeting: Embed the strategic asset management planning process within the capital budgeting framework to ensure that investments are strategically directed and financially viable.
   - Set Rules for Capital Projects: Establish clear rules for proposing, reviewing, and approving capital projects, including criteria for evaluation, required documentation, and approval workflows.
5. **Financial Sustainability and Diverse Financing**
   - Prioritize Asset Needs: Allocate funds based on a prioritized list of asset needs, ensuring that the most critical assets are maintained or upgraded as needed to support service delivery.
   - Explore Diverse Financing Mechanisms:

- Public-Private Partnerships: Engage in public private partnerships to leverage private sector expertise and funding for the development and maintenance of critical assets.
- Grants and Loans: Identify and pursue grant opportunities and low-interest loans designed to support infrastructure development in the public sector.
- Government Funding: Utilize government funding effectively, ensuring that allocations are in line with strategic priorities and deliver maximum impact.

6. **Implementation and Monitoring**
- Develop an Implementation Plan: Create a detailed plan for the implementation of the SAMP, including timelines, responsible parties, and resource allocations.
- Monitor and Review: Establish a monitoring framework to regularly assess the performance of the SAMP against its objectives and adjust as necessary to address emerging challenges and opportunities.

3.2 Allocating Budget for Repair and Maintenance in Public Primary Education Facilities

1. **Establish a Base Funding Level:**
   Set a standard of the total budget or a fixed amount per facility to be allocated for repair and maintenance. This ensures a basic standard of upkeep across all public primary and secondary education facilities (see ANNEXURE- F for establishing R&M budgetary norms).

2. **Adjustments Based on Facility Age:**
   Allocate additional funds based on the age of the facility. Older facilities typically require more extensive maintenance efforts to remain functional and safe.

3. **Consider Usage Intensity:**
   Facilities experiencing high footfall, such as in densely populated areas or schools with large student populations, should receive more frequent repairs and maintenance. Adjust the maintenance budget to accommodate the increased wear and tear.

4. **Review Maintenance History:**
   Prioritize facilities that have been neglected in the past, as indicated by their maintenance history. Allocate funds to address these backlogs and prevent further deterioration.

5. **Account for Environmental Factors:**
   Increase budget allocations for facilities in regions prone to extreme weather conditions or natural disasters. These factors contribute to additional wear and tear, necessitating more robust maintenance efforts.

6. **Incorporate Facility Manager Input:**
   Seek feedback from facility managers for a ground-level perspective on specific needs and conditions. This input is crucial for identifying and addressing issues that may not be evident in a broader analysis.

7. **Annual Budget Review:**
   Conduct an annual review to compare the actual maintenance expenses against the allocated budget. This analysis will help identify patterns and inform adjustments in future budget allocations.

8. **Factor in Inflation:**
   Adjust budget allocations to factor in inflation, ensuring that the funds allocated remain adequate and effective over time in maintaining the infrastructure and equipment of public education facilities.

FIXED ASSET R&M BUDGET PROCESS

A	B	C	D	E	F	G	H
FACILITY STANDARDS	OPERATIONAL MANUAL	R&M BUDGET MEETING	R&M BUDGET ADJUSTMENT	ENVIORNMENTAL FACTORS	ANALYTICAL REVIEW	R&M BUDGET PROPOSAL	REVIEW & APPROVAL
PAO	CAMU NODE	ASSET MANAGER	CAMU NODE	CAMU NODE	ASSET MANAGER	CAMU NODE	PAO
Establish R&M budgetary standards	Use equipment maintenance schedules	Coordinate with facility managers for their perspective	Adjust for age, usage and manintenance history	Increment for to mitigate potentiol hazardous affect	Analysis of R&M B&E trend for last 3 years	Consolidate R&M buget after adjusting inflation	R&M reveiw meeting and after final adjustments, apporove

4   Acquisition

Acquisition earmarks the point where the asset enters the system and formally becomes part of the provincial asset base. It signifies start of the asset life cycle. Following guidelines will be in place for affecting acquisition of an asset:

4.1   Plan to acquire

- CAMU will initiate the annual planning cycle through the issuance of the Fixed Asset Annual Requisition Form (FAARF), **ANNEXURE C.** The form will be released under authority of the Principal Accounting Officer (PAO). The CAMU node in each department will analyse the requests (FAARF) in the context of the questions identified as a guideline in **ANNEXURE B**.
- Additional information shall be sourced from the AMIS and District Education Officer (DEO) to ascertain the overall budget requirement. In developing the fixed asset budget, CAMU nodes will also identify the mode of acquisition: in-house (in the case of an infrastructure scheme) or procured from market (in the case of goods and services), along with estimated repairs and maintenance (year one requirement, if any) to be covered under the budget ceilings allowed by the Finance Department.
- After approval from the respective PAO, the FAARF will be shared with the CAMU main secretariat at P&DD for to have a consolidated view, in order to avoid any duplication.
- The department will prepare a Schedule of New Expenditures as per Rules 74 to 81 of the General Financial Rules and will forward it to the Finance Department.

4.2   Asset tagging and registry in AMIS

- The asset will be tagged as per prescribed procedures. Tagging precedes registration to highlight its significance. An automated tag will be generated by the Asset Manager[1] at the district level assigning an "Asset Identification Number". Asset Identification Number will be bar coded to ensure security and ease of spotting.
- Once issued, the tag will be printed either by the facility manager or person responsible at the secretariat office, for receiving the asset. In case of assets that are to be placed outdoors, aluminum tags will be used and affixed to enable deterrence against physically challenging conditions. The tags will be affixed in a manner that these are accessible, legible, and safeguarded against routine physical contact.
- Once a tag has been generated and printed, the asset registration will be completed. The district asset manager will be responsible for maintain updated asset registry within the AMIS will entail capturing asset information as per guidelines for asset classification.

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[1] Asset Manager can be any person designated at district level for asset management. It can be a new hiring or from existing staff.

- Once the asset has been posted (completion of registration process in AMIS) in AMIS, it will become subject to review of the internal audit at department level (ANNEXURE H provides details on the AMIS architecture).

4.3 The Fixed Assets Register at Facilities

The officer in charge of each facility will maintain a Fixed assets at its facility and will be accountable for the maintenance and accuracy of the Fixed Asset Register under their jurisdiction. They will ensure that the register is updated regularly and that all asset-related decisions are informed by the data therein. Additionally, the CAMU through its nodes respective departments and internal auditors will periodically review these registers to ensure compliance and accuracy.

At a minimum, the Fixed Asset Register must capture the following details for each asset **(ANNEXURE-D)**:

- Asset Identification Number/Code
- Description/Name of the Asset
- Category/Type (e.g., machinery, land, building, etc.)
- Date of Acquisition
- Acquisition Cost
- Estimated Useful Life
- Current Asset Value (with provisions for periodic depreciation)
- Location/Department of Asset
- Asset Condition (e.g., new, in-use, end-of-life)
- Any associated warranties or maintenance contracts

All assets shall be entered into the Asset Register maintained at the facility level as soon as it is received at the facility or provincial or district office. Each entry in the register must be signed by the person issuing (in case physical asset is first received at respective provincial or district office and then dispatched to facility and receiving it along with the date of receipt.

Any changes in value of the asset and/or useful life of an asset shall be incorporated and approved through the Register. At the same time, within AMIS depreciation/ amortization routines shall be run monthly to enable updated reporting. Condition of the asset and maintenance scheduling shall be managed through the Maintenance Tracker which shall be integral to AMIS and its facility manager responsibility to ensure that there is no discrepancies in asset information in AMIS and the Register.

FIXED ASSET ACQUISITION PROCESS

Initiation

PABCC
CAMU NODES

CAMU will kick off the annual planning cycle by issuing a "physical asset budget call circular" (PABCC) under the authority of the respectivePAO. Each department's CAMU node will gather requests within the respective departments and analyse them against guidelines provided in appendix D of the guidelines.

PAPP
CAMU CENTRAL

Allocation

Following PAO approval, the PAPP, enriched with data from AMIS, DEOs will be developed and is sent to the CAMU main secretariat for a review to prevent duplications and then forwarded with the New Item Statement (NIS) to the Finance Department, following GFR 74 to 81.

TAGGING

AIN
ASSET MANAGER

After the completion of procurement process, when the asset is received, each asset is first tagged with an automatically generated "Asset Identification Number (AIN)," which is bar coded for security and ease of identification. This tagging, essential for tracking, precedes registration and is handled at the district level by the Asset Manager.

REGISTERATION
ASSET MANAGER

AMIS

Following tagging, the asset is registered within the AMIS by the asset manager, who ensures the asset registry is kept up-to-date with all necessary information as per classification guidelines. Once registered, the asset is subject to an internal audit at the department level to verify and validate the registration accuracy.

FAR

REGISTER MAINTENANCE
FACILITY MANAGER

Each facility officer is responsible for maintaining an accurate and regularly updated Fixed Asset Register, detailing all assets under their jurisdiction. This register includes comprehensive information such as Asset Identification Number, asset description, type, acquisition details, current value, condition, acquisition cost, estimated life, and maintenance schedules.

COMPLIANCE
FACILITY MANAGER

UPDATING

Changes in asset value or condition are updated and approved through the register, and depreciation is computed monthly in AMIS to ensure consistent and accurate reporting. The facility manager also ensures that asset information between AMIS and the Fixed Asset Register remains synchronized, especially regarding asset condition and maintenance schedules.ollowing tagging,

5 Accounting

Accounting will be the engine that enables assignment of financial worth to the assets. Accounting for assets goes in tandem with its lifecycle, where change in condition of an asset from acquisition to disposal is duly accounted for through financial adjustments to the value of asset. Assets shall be initially measured at:

- The purchase cost for assets acquired through provincial consolidated funds or foreign donor grants.
- Accumulated cost spanning the entire construction or developmental phase for assets that have a gestation period before being conditioned for use.
- Fair value for assets acquired in-kind, inclusive of any directly attributable costs. As per IPSAS 17 and 31 guidelines, the cost of assets acquired will be considered their fair value. For in-kind acquisitions, fair value shall be sourced from the asset donor or determined using market-based appraisals, with reference to ANNEXURE D of IPSAS 46 where required.

The depreciation or amortization method selected should align with the asset's estimated useful life and usage pattern. This estimation will be determined by CAMU based on technical and operational asset data received during acquisition. CAMU through its nodes in the respective departments will also establish a calendar for impairment testing to identify specific assets that may warrant review.

Post-acquisition costs related to existing assets that promise benefits for over twelve months shall be capitalized. However, routine maintenance costs and those below the capitalization threshold will not be capitalized. Assets may undergo a change in their estimated useful life due to additional costs, revaluation, impairment, or as they approach the end of their previously determined useful life. Any revision should reflect the asset's updated expected usage pattern and potential economic benefits.

CAMU will centrally handle all accounting policy decisions. These encompass asset recognition's fair value, application of the cost or revaluation model under IPSAS 17/31 for each asset category, determination of useful life, depreciation methods, asset condition assessments, revaluation treatments, and accounting procedures for disposals. Assets will be derecognized from the asset register upon disposal.

5.1 Initial measurement

- Initial measurement of an asset will be costed using the following sources, in order of priority:
  - Vendor invoice;
  - Value of the grant/ donation specifically utilized for acquiring the asset;
  - Project cost incurred prior to transfer of an asset from Communication and Works Department or Project Management Unit responsible for erection/ construction of an asset;
  - Fair value assessment;
- Fair value assessment will be performed in the following order:
  - Observable price in the principal market where the asset is traded;

- In case, price is not observable due to lack of a market, replacement cost to acquire or construct a substitute asset. It is to be noted that service capacity of the asset under consideration is integral to its replacement cost; or
  - Present value technique where replacement cost is indeterminable.
- Subsequent expenditure on an asset that is eligible for capitalization will be recorded as a disaggregated asset;
- Asset Manager will apply the principles of initial measurement to an asset that has been disaggregated for the purposes of recording as per criteria prescribed by P&D Board;
- Where a fair value assessment is required, an external professionally qualified valuer may be engaged to undertake the assessment;
- Evidence of basis of measurement will be attached at the time of recording the asset;
- Upon initial measurement and recording, the assets will be deemed to have been accounted for under the historical cost model.

5.2 Classifying assets

Assets vary considerably in their size and nature and must be classified into logical groupings for management control, financial treatment and external reporting requirements. Following guidelines will be in place to undertake fixed asset classification:

- Classification shall be as per 'Chart of Accounts' and assigned appropriate flex field markers as purported under the FAM policy;
- Asset Managers shall distinguish between classes of assets, and will use asset categories laid out in **ANNEXURE G** to perform classification;
- In applying classification, Asset Manager shall assign a category and a sub-category to the asset that is most proximate match in terms of purpose of use and nature of the asset.
- The Asset Manager will adhere to FAM policy and CAMU guidelines specifically issued for uniformity in classification of assets by the Pⅅ

5.3 Capturing asset information

- Each classification recorded as per Chart of Accounts shall be complemented with capture of the following information to enable monitoring of the asset over it lifecycle and reporting as per the reporting framework outlined in the previous section:
  - Service capacity;
  - Targeted outcome most relevant to the asset;
  - Controlled asset, fixed (physical) or intangible;
  - Disaggregation or whole;
  - Date of receipt;
  - Intended recipient;
  - Owner of asset;
  - Location of receipt of asset;
  - Location of intended utilization;
  - Expected useful life of asset;

- Depreciation/ amortization method (in case of fixed assets and intangibles);
- Value at the time of receipt;
- Scheduled for repairs & maintenance;
- Frequency for impairment/ revaluation testing; and
- Condition of asset (used/ new).

5.4 Capitalization threshold

▪ CAMU provincial will set a minimum monetary threshold for the recording and financial reporting of assets. Effort on these activities is then limited to those assets whose value is of significance to service delivery objectives and is above the threshold;

▪ Assets deemed to be controlled assets will not be recorded irrespective of the capitalization threshold for control and security reasons.

5.5 Guidelines for grouping disaggregated assets and aggregating assets

▪ Recording of assets will be on an asset-by-asset basis;

▪ In some cases, however, it may be appropriate to record a group of interrelated assets (of which some or all the components may have a value below the recording threshold). Examples include a major piece of machinery with a number of sub-assemblies, or an infrastructure asset such as a services network.

▪ The Register will record the grouped asset, and identify the individual components;

▪ Unlike assets that are aggregated for convenience, a group of assets attracts particular value because it represents a complete collection (e.g. a suite of furniture, a set of crockery, or a services network). Loss or removal of one item would significantly diminish the value of the group or collection by making it incomplete. This would apply even if the value of the particular item were relatively low. (This contrasts with an aggregation of assets where the loss or removal of one item may have negligible effect on the total value of the aggregated assets.);

▪ Large numbers of homogeneous assets which have complementary values (such as library books, or a collection of scientific material) may be recorded in aggregate. As for assets that are grouped, this approach will be useful where the value of the components of an individual asset may fall under the recording threshold, but the aggregate value of the 'asset' is above the threshold.

▪ Aggregation should not be used for assets that have fundamentally different characteristics as this will result in inconsistent assumptions about useful life and depreciation.

5.6 Depreciation

1. **Depreciation Methods Determination**

Select Appropriate Depreciation Methods: Choose a depreciation method that reflects the usage pattern and economic life of the asset. Common methods include:

- Straight-line depreciation for assets with a consistent utility over their useful life.
- Reducing balance method for assets that lose value more rapidly in their initial years.
- Units of production method for assets whose wear and tear are directly related to their usage.

Tailor Depreciation Methods by Asset Class: Apply the selected depreciation method consistently within each asset class, ensuring it aligns with the nature and lifespan of the assets in that category.

2. **Special Considerations for Medical Equipment**
   - Assess Expected Useful Life: Determine the expected functional and beneficial lifespan of medical equipment, considering both physical durability and relevance in the face of technological advancements.
   - Account for Technological Obsolescence: Evaluate the rate at which new technology might make existing equipment obsolete. This is crucial for high-tech medical machinery.
   - Evaluate Wear and Tear: Consider the frequency and nature of use, as this impacts the longevity and depreciation rate of the equipment.
   - Determine Residual Value: Estimate the value of the equipment at the end of its useful life, considering potential for resale, trade-in, or scrap.
3. **Depreciation Policy Implementation**
   - Documentation and Policy Development: Formulate a detailed depreciation policy document that outlines procedures, methodologies, and frequency of depreciation calculations for each asset class.
   - Training and Communication: Train finance and asset management teams on the depreciation policy to ensure consistent implementation. Communicate policy details to relevant stakeholders to ensure transparency and understanding.
   - Periodic Review and Adjustment: Regularly review the depreciation policy and asset categories to adjust for new acquisitions, disposals, and changes in asset use or technological environment. This may include revising depreciation rates, methods, or useful life estimations.
4. **Reporting and Compliance**
   - Accurate Financial Reporting: Ensure that depreciation calculations are accurately reflected in financial statements, contributing to the integrity of the institution's financial reporting.
   - Compliance with Standards: Adhere to relevant accounting standards and regulations governing asset depreciation, ensuring legal and regulatory compliance.
5. **Asset Depreciation: Methods, Timing, and Considerations**

   - Depreciation commences in the month when the asset is in the location and condition that enables it to be used by the intended recipient. Depreciation ceases one month prior to disposal.
   - Temporary or otherwise idle asset does not preclude depreciating the asset, as future economic benefits are consumed not only through usage but also through wear and tear and obsolescence.
   - Where an asset has been disaggregated, a different method of depreciation may be applied to the disaggregated parts where the pattern of use is expected to be different among the parts;

- The residual value and the useful life of an asset will be reviewed at least annually and, if expectations differ from previous estimates, the change(s) will be accounted for.
- Land and controlled assets will be carried with an indefinite life.
- Additional depreciation arising due to revaluation surplus may be transferred to equity over the remaining useful life of the asset.

5.7 Subsequent measurement

5.7.1 Revaluations

- A class of assets may be carried at revaluation model;
- CAMU provincial will have powers to assign any class of assets to be carried at the revaluation model;
- An assessment frequency will be set at sufficient regularity to ensure that they are carried at an amount that is not materially different from their fair value at the end of fiscal year;
- Fair value assessment will be performed as per guidelines laid out in 5.1;
- Where carrying amount of a class of assets is increased as a result of a revaluation, the increase shall be credited directly to revaluation surplus. However, the increase shall be charged to income to the extent that it reverses a revaluation decrease of the same class of assets previously recognized in income;
- Where a surplus arises on a class of assets, that have suffered a revaluation deficit in a prior year, the increase to be charged to income will be restricted to the excess available after adjustment of depreciation chargeable had the revaluation deficit not arisen;
- Where carrying amount of a class of assets is decreased because of a revaluation, the decrease shall be recognized as an expense. However, the decrease shall be debited directly to revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that class of assets.

5.7.2 Impairment

- Only asset carried under the cost model will be tested for impairment.
- An asset will be deemed impaired where following conditions have arisen:
  - Change in use pattern of an asset such that an asset is not used as historically evidenced;
  - Change in the government policy, geo-political landscape, technology, or legal environment causing a facility to be adversely affected;
  - Physical damage to the asset;
  - A decision to halt, lay idle or discontinue construction or development of an asset prior to it having reached a usable condition or plans to dispose of an asset-in-use1; or
  - Evidence that service performance of an asset is significantly worse than expected.

The conditions above are inclusive and not exhaustive. Indicators such as market value decline, accelerated wear & tear or obsolescence may also be considered to determine whether an asset is impaired.

- CAMU provincial may set up an impairment testing calendar to inspect whether any of the conditions of impairment have arisen in respect of specific assets.
- Where the asset is deemed impaired, it is likely that its carrying value under the cost model is greater than the recoverable service amount. If so, an impaired asset's value will be brought down to its recoverable service amount.
- Recoverable service amount is the lower of fair value less costs to sell and value-in-use of the impaired asset. As a practical expedient, CAMU will apply guidance under para 39 of IPSAS 21 to determine the recoverable service amount of an impaired asset.
- Controlled assets may be tested for impairment once every 3 years.
- Where there is a reversal of an impairment loss, the amount of the reversal that can be recognised is restricted to increasing the carrying value of the asset to the carrying value that would have been recognized had the original impairment not occurred.

5.8 Transfer and Disposal

- Establish Clear Disposal Criteria: Define unequivocal criteria for asset disposal, considering factors such as the asset's age, functional status, maintenance costs, and any potential risks associated with continued use.
- Mandate an annual review of all assets to assess their current status and identify those that may require disposal in the forthcoming year. This review should be documented and accessible for audit purposes.
- Assign specific personnel or departments with the responsibility for overseeing the disposal process. This includes evaluating disposal options, managing paperwork, and ensuring compliance with regulations.
- Before final disposal, assess each asset for potential resale, repurposing, or recycling. This assessment should consider the economic benefits and environmental impact.
- Document the rationale and method for each disposal decision. This documentation should include an evaluation of resale, repurposing, and recycling options and the outcome for each disposed asset.
- Environmental Responsibility
- Encourage practices that contribute to environmental sustainability. This includes prioritizing recycling and repurposing of assets wherever feasible.
- Ensure that the disposal process complies with local and national environmental regulations, particularly in the handling and disposal of hazardous materials.
- Regular monitoring of the asset disposal process which will include checks on compliance with the guidelines, effectiveness of the digital asset management system, and environmental impact assessments.
- Annual reporting on asset disposals, including a summary of disposed assets, disposal methods, economic returns from resales, and environmental considerations. This report should be made available to relevant oversight bodies.
- Asset shall be derecognized when disposal proceedings are concluded and:
    - Receipt to that effect has been deposited in the provincial consolidated fund [PCF]; or
    - Certificate of destruction/ discard has been issued by the person destroying/ discarding the asset under seal of the Asset Owner; or
    - Certified by CAMU provincial as lost or stolen as per protocol prescribed in this regard.

FIXED ASSET ACCOUNTING PROCESS

Initial Measurement
CAMU

Conduct initial measurement, schedules as per IPSAS. Check the capitalization threshold.

ONE

Asset Classification
ASSET MANAGER

Classify assets in accordance with the FAM policy, assigning flex field markers for management control, financial treatment, and external reporting

TWO

Interrelated Assets
ASSET MANAGER

Group assets where individual components might fall below the recording threshold but collectively form a significant unit.

THREE

Homogeneous Assets
ASSET MANAGER

Aggregation of homogeneous assets that individually may be below the recording threshold but collectively exceed it, such as sets of chairs or scientific equipment.

FOUR

Depreciation Review
CAMU NODE

Conduct annual review of the useful lives of all assets. Any necessary adjustments will be reflected in the depreciation schedule.

FIVE

Depreciation Method
CAMU NODE

This includes choosing from straight-line, reducing balance, or units of production methods tailored specifically for each asset class.

SIX

Asset Revaluation
CAMU

Conduct fair value assessments to align carrying amounts with fair values at fiscal year-end.

SEVEN

Disposal
CAMU NODE

Conduct annual reviews to identify assets for disposal or transfer, evaluating options for resale, repurposing, or recycling.

EIGHT

Financial Accounting
CAMU NODE

Record purchase costs, accumulated costs for assets under construction, depreciation expenses, revaluation and residual values, in AMIS.

NINE

Impairment Testing
ASSET MANAGER

Assess assets for impairment triggers such as changes in use patterns, government policies, or physical damages.

TEN

6   Control & Maintenance Framework

The Fixed Asset Control and Maintenance Framework comprises critical subsystems, each integral to the effective management of assets across their lifecycle. Each subsystem interlocks to provide a comprehensive approach to fixed asset management, from monitoring and maintenance to financial oversight and regulatory compliance.

Control entails effective and efficient operation of assets. It is obvious that for optimal operation of the asset, condition of the asset needs to be monitored with diligence. Consequently, any maintenance required to keep the asset in optimal condition is imperative. Following guidelines will be in place to direct affairs pertinent to control and maintenance of assets:

Fixed assets will be monitored through asset tags assigned under policy for asset acquisition. Tagged fixed assets will be subjected to periodic counts, at least once annually, duly scheduled by the E&SED. The purpose of the check will be to confirm the assets' existence, condition and ownership (rights & obligations).

Depending on the nature of asset, respective departments will setup a repair & maintenance schedule for each asset. The schedule will be used as a basis for budgeting the level of effort, traveling, meals, and lodging cost of the technical personnel. In addition to routine repairs and maintenance, the respective departments will budget for ad-hoc and exceptional items.

For the purposes of overall budget for repair & maintenance [R&M budget], both routine and non-routine, CAMU node in the respective department will use annual depreciation charge as a basis for setting up the budget. As use patterns develop, CAMU will use data pertaining to revaluation assessments, impairments, frequency of change in useful life estimates to complement its basis for setting up the budget for repairs & maintenance.

The respective departments will distinguish the R&M budget between "operational servicing" and "major improvements" as a proactive measure towards which expenditure is expected to be capitalized, since major improvements are likely to be capitalized. Irrespective of the repair classification, once such expenditure has been incurred, it will be subjected to benefits tests and capitalization threshold test.

6.1   Condition of an asset

6.1.1   Grading the condition of an asset

- When the asset is brought into use, the condition of the asset shall be deemed as "good" by default where goodness is a relative measure depending on the used life of an asset and the extent to which it has been depreciated.
- There will be three determinants for condition of an asset:
  - Useful life of an asset;
  - Asset use;
  - Event affecting change in condition of an asset.
- An upwards revision in the useful file of an asset will cause its condition to be downgraded;

- Reduction in performance efficiency is an indicator of change in condition of an asset due to asset use and likely to cause the condition to downgrade.
- Condition of an asset may be downgraded based on the following events:
  - Obsolescence;
  - Technical fault rendering the asset out-of-order;
  - Accelerated wear & tear due to physical conditions in which the asset is placed;
  - Damage;
  - Lost or stolen.
- Depending on the seriousness of the factors, the asset's condition may be downgraded to fair or bad;
- An asset shall be marked as "bad" only when it has become incapable of use, which includes lost and stolen assets;
- Any item that is lost or stolen will be reported to CAMU.

6.1.2   System for change of grade

- Change of grade will be instigated upon occurrence of any of the following:
  - Request for non-routine maintenance raised by owner of the asset;
  - Information and supporting evidence furnished by owner regarding incapacitation of an asset;
  - Condition deemed at the time of spot-check performed by a supervising Asset Manager;
  - Condition deemed by the maintenance provider post-routine-maintenance;
- Upon instigation, the Asset Manager at the facility will initiate change of grade;
- Change of grade shall be approved by the supervising Asset Manager after obtaining satisfactory evidence to that effect;
- Such evidence may include physical inspection by a qualified technician (internal or external) where the value of the asset is high, or the asset is a controlled asset;
- P&D Board shall have the powers to prescribe rules for determining "high-value assets" and "satisfactory evidence";
- Where an asset has been graded to a "fair" or "bad" condition, it shall be marked for impairment testing or a revaluation assessment (where an asset is carried under the revaluation model).

6.1.3   Stock take and spot checks

- Stock take shall be performed by CAMU to validate the assets registered by subordinate offices;
- Stock take may be performed on a sample basis or a piece meal basis under formally drafted sampling or stock take plan;
- Stock take may be outsourced to an independent group;
- At a minimum, an annual stock take exercise will be carried out. In addition, spot checks may be performed when:
  - There are reporting issues or audit findings pertinent to the district or facility;
  - A significant number of assets have had their condition downgraded;
  - Performance targets pertinent to the assets are not being met;

- There is a significant change event such as transfer of an assigned officer, new facility, and major acquisition.
- Specific protocol for dealing with assets that were identified as missing during spot check, or earlier reported as lost or stolen may be developed by CAMU.

6.2 Transfers and disposal

Fixed assets will be deemed to have been disposed when they no longer serve any utility or when the E&SED or its offices no longer possess control rights over them. This includes instances where assets are lost, destroyed, stolen, or have simply exhausted their utility.

Annually, CAMU nodes in each department will assess fixed asset conditions and useful life spans. This assessment will form the basis for planning scheduled disposals. Following this, fixed assets listed for disposal will undergo physical inspection to validate their condition against the fixed asset register. If, after inspection, fixed asset is determined to still have the capacity to offer economic benefits, it will be subjected to a revaluation assessment. This includes a reassessment of its useful life estimate to ensure it remains an active and beneficial part of the asset register.

Upon confirmation of fixed asset's disposal status, the residual asset will either be auctioned or destroyed, in accordance with the existing disposal policy maintained by the E&SED or their respective offices. All associated costs, including inspection and anticipated disposal proceeds, will be incorporated into the annual budget.

Any revenue generated from the disposal of fixed asset will be accurately recorded in the government accounting system, in alignment with the stipulations of the Accounting Policies and Procedure Manual – 13.5.1.

6.2.1   Transfers

All fixed asset transfers must be authorized by the designated Asset Manager prior to the initiation of the transfer process. Every fixed asset transfer must be documented and processed through the AMIS to capture and record any changes in asset status, including changes in location, ownership, or user (second recipient).

The transfer must be recorded with a unique identifier for the transaction, the date of the transfer, a description of the asset, and the details of the former and new asset custodians. A condition report of the asset must be completed prior to the transfer to document the state of the asset being transferred. All documentation pertaining to asset transfers must be retained according to the government's record retention policy.

Any transfer not processed through the AMIS will be considered unauthorized use of the asset. Such actions are subject to review and penalty by the governance authority and the Central Asset Management Unit (CAMU) at the provincial level.

- Transfer of an asset shall stand to mean either a change in location or change of recipient of an asset;

- Transfers involving the same owner shall be updated in the Register after a notification to the relevant Asset Manager;
- In case transfer involves change of owner, the transfer shall be subject to approval of the supervising Asset Manager.

6.2.2 Disposals

- Following asset will be proposed for disposal:
  - Condition has been downgraded to "bad";
  - Useful life is exhausted, and the asset is not being subjected to a useful life reassessment.
- A list of assets proposed to be disposed will be extracted from AMIS;
- The list shall be submitted along with a request for inspection to CAMU provincial;
- CAMU provincial has the authority to delegated inspections to the district Asset Managers or arrange independent inspections;
- Where an inspection reveals that an asset has the capacity to service additional economic benefits, a valuation estimates and remaining useful life shall be included in the inspection report;
- Guidance in section 13.5.1 of APPM may be relied upon to execute disposal proceedings, except for assets that are subject to disposals through destruction on account of special disposal procedures in place by the Education Departments;
- Disposal proceedings will be supervised by the adjudicating Asset Manager;
- At minimum, residual value of assets shall be the estimate of receipts to be communicated in response to the budget call circular, where residual value equals "cost of asset **less** accumulate depreciation, impairment losses and costs to sell";

6.3 Tools

- Primary tools in use for asset monitoring shall be:
  - The Assets Register shall contain record and financial history of all the assets;
  - The Maintenance Tracker shall contain maintenance schedules including warranty claim handling for all assets subject to maintenance;
  - The Performance Measurement Dashboard shall contain operational data of asset pertinent to its use linked to an outcome.
- The tools shall be serviced through an Asset Management Information System [AMIS];

6.3.1 Use of tool

- Where an electronic medium cannot service AMIS at the facility level in entirety, the assets shall be tagged and registered into the electronic system at the district level;
- Subject to availability of IT infrastructure, a simplified version of AMIS shall be made available at the facility level to feed control and maintenance data into the AMIS.

6.3.2   The Maintenance Tracker

- The Tracker will be in place for maintenance scheduling and shall report over the following attributes:
  - Asset category;
  - Warranty period;
  - Maintenance services provider;
  - Maintenance schedule;
  - Log of maintenance performed;
  - Post-maintenance evaluation of the condition of asset;
- The Tracker will be enabled to manage the complete workflow of maintenance including requests for non-routine maintenances including condition-based maintenance, un-planned maintenance, overhauling (life cycle replacements) and inspections;
- A routine maintenance schedule [RMS] shall be set for each asset eligible for routine maintenance;
- For specialized medical equipment, input will be sought from the Owner of the Asset at the time of initial placement to specify the applicable RMS;
- A master maintenance schedule [MMS] shall be maintained enlisting upcoming maintenance assets.
- MMS shall be monitored on a daily basis;
- MMS shall comprise of RMS by default, and non-routine maintenance once it has been approved by a supervising Asset Manager;
- Criteria for approving non-routine maintenance may be prescribed by CAMU at the provincial level.
- For each routine maintenance, Asset Manager shall identify whether the maintenance is preventative or condition-based;
- For each non-routine maintenance, Asset Manager shall identify whether the maintenance is unplanned, lifecycle replacement, overhaul, back log, or an inspection;
- For each maintenance item, a vendor will be specified. Where maintenance is to be handled internally: name, designation and department of the technician will be mentioned;
- For each maintenance item, warranty status shall be specified;
- Where an item is subject to warranty, coverage will be specified including the fact whether any costs will be borne by facility. For example, technical assistance may not be chargeable, but minor part replacements or traveling may be billed by the vendor.

6.3.3   The Performance Dashboard

- The Dashboard shall contain technical use history of the asset along with beneficiary information;
- The Dashboard will be linked with the Tracker to justify special maintenance requirements;
- Parameters for technical use of an asset shall be communicated to the Asset Manager by the Owner of the asset at the time of acquisition;

- These parameters and associated values shall be set by the Asset Manager at the time of registry;
- Where an asset does not create any performance requirements, a justification to this effect will be included in AMIS at the time of registry of asset.

6.4 Budgeting for maintenance

- Each item of routine and non-routine maintenance will be budgeted based on:
    - Type of maintenance. Except for life cycle replacements and overhauls, the remaining items are likely to be activities involving operational servicing;
    - Coverage provided by the warranty;
    - Minor replacements;
    - Costs of administering the maintenance activity such as traveling, lodging, etc.;
    - Spot checks.
- The budgets shall be made part of forms filled in response to the budget call circular released by the Finance Department;
- Any maintenance activities deemed to be major improvements will be taking heed of Section 3.1.

6.4.1 Collaborative Stewardship in Fixed Asset Management

While specific responsibilities have been detailed in preceding sections, this guideline underscores the importance of shared responsibility in effective fixed asset management. It is imperative to understand that the Central Asset Management Unit (CAMU) is not the sole entity responsible for fixed asset management; beneficiaries also play a critical role in completing the asset life cycle.

Fixed asset recipients are obligated to account for the asset at two key forums: the Drawing & Disbursing Officer (DDO) and CAMU. Failure to register an asset with CAMU within the stipulated timeline, where the title rests with the Directorate of Elementary & Secondary Education, KP, will be considered a misappropriation of public assets.

Recipients are mandated to promptly report any change in the condition of an asset and ensure the assets register reflects these changes accurately.

The onus of supervising, tracking, and determining disposal procedures falls on the respective department head. In this context, CAMU will collaborate with department heads to ensure the register's accuracy and up-to-date status, especially during the disposal processes.

The figure below provides a visual representation of how these subsystems interact within the Fixed Asset Control and Maintenance Framework.

10 SUB SYSTEMS
FIXED ASSET
CONTROL & MAINTENAINCE FRAMEWORK

SUB SYSTEM A
CONDITION GRADING
based on FA useful life, usage , and external events

SUB SYSTEM B
SPOT CHECKS
annual stock takes and spot checks ensure asset accuracy

SUB SYSTEM C
TRANSFER
utility loss or loss of control, followed by condition assessment and potential revaluation

SUB SYSTEM D
DISPOSAL
asset disposals is guided by inspections and residual value

SUB SYSTEM J
STEWARDSHIP
shared responsibility in FAM emphasizes collaboration between CAMU and asset beneficiaries

SUB SYSTEM E
TOOLS
asset registers, maintenance trackers, and performance dashboards

SUB SYSTEM I
MAINTAINANCE BUDGET
includes type, warranty coverage, minor replacements, administrative costs, and spot checks

SUB SYSTEM H
PERFOMRANCE
tracks asset usage and maintenance needs, integrating technical parameters set at acquisition

SUB SYSTEM G
TRACKER
manages all maintenance workflows and schedules for assets (routine and non-routine)

SUB SYSTEM F
AMIS
use of technology for fixed asset management from facility to provincial levels

7 The Reporting Framework

The Financial Reporting Framework in Khyber Pakhtunkhwa is central to asset management and primarily adopts from the following legislations:

- KP PFM Act 2022;
- Accounting Policies and Procedure Manual;
- General Financial Rules (Rule 74-81); and
- Delegation of Financial Power Rules 2018.

Keeping mind of aforementioned legislations, following guidelines will be in place for undertaking reporting over assets:

7.1 Data Management

A comprehensive and integrated approach to data management, rooted in a well-maintained Fixed Asset Register and a dynamic AMIS, is the key to unlocking the full potential of assets in primary education schools. The objectives of the data management are:

- **Granularity and Structure:** Detailed and structured data ensures that every aspect of the asset is captured, providing a comprehensive view.

- **Data Analytics:** Leveraging data to derive insights. For instance, analyzing maintenance data can predict when an asset might fail, enabling preventive action.

- **Timeliness:** Regular updates ensure that the data remains current, reflecting the real-time status of assets.

7.1.1 Integration with Asset Management Information System (AMIS)

The synergistic interaction between the Fixed Asset Register and the Asset Management Information System (AMIS) is critical. While the register lays down a consistent and comprehensive asset foundation, the AMIS brings in a layer of real-time asset intelligence, capturing the evolving state of asset conditions, usage, and performance. This integration ensures that asset management decisions are not only based on historical and static data but are also responsive to current and dynamic asset realities. Together, they form a powerful duo that enhances decision-making accuracy, ensures operational efficiency, and elevates strategic planning in asset management.

7.1.2 Data Verification, Validation, and Reconciliation

- Conduct Regular Audits: Implement a schedule for regular audits of asset data to verify that the recorded details match the actual physical and operational status of assets.
- Utilize Technology: Employ barcode or RFID technology to streamline the verification process, ensuring that asset details in the Fixed Asset Register accurately reflect those of the physical assets.

- Implement Validation Rules: Establish a set of rules for data entry that checks for data integrity and accuracy at the point of input. This includes checks for format, range, and logical errors.
- Continuous Training: Provide ongoing training for staff on the importance of data accuracy and how to correctly input and validate data within the system.
- Reconcile Data Regularly: Schedule regular reconciliation processes to ensure consistency between the Fixed Asset Register and AMIS. This involves comparing data entries across systems to identify and address discrepancies.
- Automated Reconciliation Tools: Where possible, integrate automated reconciliation tools that can highlight discrepancies between systems for prompt correction.
- Rectifying Discrepancies
- Establish a Correction Protocol: Develop a clear protocol for rectifying identified discrepancies, including steps for investigation, correction, and documentation of the resolution process.
- Accountability and Reporting: Assign responsibility for discrepancy resolution to specific roles within the organization and require reporting on resolutions for accountability and transparency.
- Continuous Improvement: Foster a culture of continuous improvement with regular reviews of data management practices to identify areas for enhancement.
- Security Measures: Implement robust security measures to protect data integrity and prevent unauthorized access or alterations.

7.2 Reporting Framework with a Focus on Fixed Asset Schedule

The integration of the Fixed Asset Register and AMIS allows for the generation of a variety of reports tailored for different administrative levels in Khyber Pakhtunkhwa.

- An **Assets Schedule** shall be developed and serve as the primary report over assets. See **ANNEXURE A** for reference.
- Additionally following reports shall be generated periodically to monitor assets:
  - **Asset Summary and Status Report:** Provides an overview of all the assets within the unit, including their status (operational, under maintenance, out of order). See **ANNEXURE A** for reference;
  - **Asset Utilization and Maintenance Report:** This will showcase how frequently assets are used and their maintenance schedules; See **ANNEXURE A** for reference;
  - **Asset Analytics Report:** Asset performance, maintenance schedules, and usage patterns across the province. Asset summary report will cascade to provided asset-by-asset information;
  - **Strategic Asset Planning Report:** Focused on the long-term strategic planning of assets, considering potential growth areas, areas of decline, and evolving needs. Please see **ANNEXURE B** for reference;
- The Asset Schedule and Asset Summary and Status report shall be generated on a quarterly basis as required under the Accounting Policies and Procedures Manual (APPM). The report shall be generated by PAOs at the provincial level.
- Asset Utilization and Maintenance report and Asset Analytics report shall be generated on a monthly basis by asset manager at the district level.

- Strategic Asset Planning Report will be developed by PAO's at the provincial level with due coordination and support from the P&D board, KP. The report will be prepared annually and comprise of appropriate qualitative and quantitative information.
- The POA will be responsible for accounting of assets ensuring all transactions involving public funds and/or donations are reflected at the DDO and CAMU level.

7.2.1 Fixed Asset Reporting Framework

Administrative Level	Report Type	Objective	Utility
Facility Level	Asset Utilization and Maintenance Report	Show how frequently assets are used and their maintenance schedules. For a school, this could mean the usage of computer labs or sports equipment.	Helps facility managers to plan for maintenance, foresee potential breakdowns, and allocate resources more efficiently.
District Level	Asset Summary and Status Report	Provides an overview of all the assets within the district, including their current status (operational, under maintenance, out of order).	Helps district administrators to identify areas with frequent breakdowns, allocate resources, and ensure all facilities within their jurisdiction are adequately equipped.
Provincial Level	Provincial Asset Analytics Report	Delve deep into asset performance, maintenance schedules, and usage patterns across the province.	Enables provincial leaders to make informed decisions on procurement, budget allocations, and policy directions.
P&DD Level	Strategic Asset Planning Report	Focused on the long-term strategic planning of assets, factoring in potential growth areas, areas of decline, and evolving needs.	Assists P&DD in formulating future strategies, budgeting for new acquisitions, and planning for replacements or upgrades

ANNEXURE – A: FIXED ASSET STANDARD REPORTS

1. Fixed Asset Schedule as per IPSAS- Education

EDUCATION/ HEALTH									
Assets schedule as of _____		Infrastructure Assets	Machinery & equipment	IT & Digital assets	Furniture & Fixtures	Utility & electrical	Vehicles	Intangibles	Controlled assets	Total
PKR in millions										
Opening NBV										
Additions through public funds [at cost]										
Additions through donations [at cost]										
Revaluations [surplus or (deficit)]										
Disposal [NBV] *										
Depreciation/ amortization										
Impairment										
Closing NBV										
Cost or revaluation										
Accumulated depreciation										
Accumulated impairment loss										
Closing NBV										
Rate of depreciation/ amortization										
Disposals *										
Cost or revaluation										
Accumulated depreciation										
Accumulated impairment loss										
Closing NBV of disposals										
Assets schedule as of _____ [last period comparative]										
PKR in millions										
Opening NBV										
Additions through public funds [at cost]										
Additions through donations [at cost]										
Revaluations [surplus or (deficit)]										
Disposal [NBV] *										
Depreciation/ amortization										
Impairment										
Closing NBV										
Cost or revaluation										
Accumulated depreciation										
Accumulated impairment loss										
Closing NBV										
Disposals *										
Cost or revaluation										
Accumulated depreciation										
Accumulated impairment loss										
Closing NBV of disposals										

2. Fixed Asset Utilization Summary

EDUCATION/ HEALTH	Service capacity	Actual use	Remaining useful life	Cost	NBV	Maintenance type	Maintenance scheduled	Maintenance performed	Last maintenance date	Next maintenance date
Asset utilization, maintenace and analysis as of _____										
Unit	hrs./X time	hrs./X time	years	PKR	PKR	unit	unit	unit	date	date
Asset Name/ Cat./Sub-cat. 1										
Asset Name/ Cat./Sub-cat. N										

ANNEXURE – B: STRATEGIC ASSET PLANNING QUESTIONNAIRE

EDUCATION
Strategic Asset Planning Report as of _____
Focus on services
Q.1: Have service capacities been defined for all assets at the time of creation and/ or refurbishment? Are these capacities linked to an outcome, preferably an SDG-based KPI?
Q.2: What were the targeted capacities of technical assets (and cost) at the time of acquisition?
Q.3: What are the remaining capacities of technical assets including their value? Whether the remaining capacities are a true reflection of residual potential for services delivery?
Q.4: What is the residual value of assets being considered for disposal?
Q.5: For assets being considered for disposal - reapply questions 2 and 3.
Q.6: What is the total cost estimate of proposed additions? Are service capacities defined duly linked with outcomes for proposed additions?
Q.7: Are additions commensurate with the medium-term budgetary targets?
Q.8: Recurrent costs (maintenance, technical personnel, traveling, etc) have been considered and included as part of the proposed additions?
Focus on delivery
Q.9: Have alternative options been considered to achieve service delivery outcomes?
Q.10: Is there a valid business case for partnering with the private sector for specialized areas of servicing?
Q.11: Can the business case be complemented with alternative financing arrangements - targeting the private sector?
Q.12: What type of technical assistance (integrated reporting system b/w public & private, contractual structuring, risk distribution, transaction structure, etc) may be sought to ensure viability of the proposed business case?
Focus of relevance & reliability of information
Q.14: What portfolio of assets is being carried under the revaluation model?
Q.15: Were revaluations that were due, performed during the period?
Q.16: Damaged and obsolete assets were identified, assessed and costed for impairment?
Q.17: Is there a financial model (where required) for backing up proposed additions where such additions attract significant infrastructure additions or require complex structuring with private sector partners?
Focus of accountability
Q.18: What are the PAO-wise and DEO-wise statistics of asset portfolio which include: **- total cost, total NBV;** **- NBV of damaged, stolen and lost items;** **- cost and residual value of items being considered for disposal;** **- on-schedule maintenance performed/not-performed/N.A;** **- services capacity vs. utilized;** **- Target outcome based on asset portfolio ownership vs. actual outcome?**

ANNEXURE – C: FIXED ASSET ANNUAL REQUISITION FORM (FAARF)

Sections	Sub sections
Introduction	• Purpose:
	• Importance of accurate and timely submissions:
	• Fiscal year objectives for physical asset management:
Budget call Instructions:	• Submission deadline:
	• Contact information for inquiries:
	• Format and template for submission:
E&SED Objectives	• Key department objectives for the year:
	• Prioritization criteria for asset requests:
Submission Requirements	• Detailed description of requested assets:
	• Justification for each request:
	• Expected cost and funding sources:
	• Proposed timeline for acquisition and implementation:
Approval Process	• Steps in the review and approval process
	• Criteria used for evaluation of requests
	• Expected timeline for decision notifications
Additional Information	• Links to guidelines or policies relevant to asset procurement
	• ANNEXURE with status of last three year funded past requests
Signatures	

Instructions for completing FAARF

A. **General instructions:**

1. **Read the entire form before beginning:** Ensure you fully understand the purpose and requirements detailed in the form before you start filling it out.
2. **Use the specified format:** Fill out the form using the format and templates provided in the form. If a digital form is provided, use the specific software or web platform mentioned.
3. **Accurate and detailed entries** Provide complete and accurate information for each section required. Incomplete forms may result in delays or rejection of the request.
4. **Consult relevant sections/wings:** Coordinate with your finance, asset management, and other relevant sections/wings to gather accurate information and ensure that the request aligns with current departmental needs and compliance standards.
5. **Adhere to deadlines:** Submit the completed form by the deadline specified in the instructions. Late submissions may not be considered.

B. **Section-specific instructions:**

1. **Introduction:** Briefly state the intent to comply with the budget call and your department's strategic alignment with proposed asset acquisitions.

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2. **Budget call instructions:** Confirm that all contact details are correct and that you are aware of where to send queries.
3. **Budget planning objectives/strategic goals for asset management:** Clearly outline how the requested assets align with the sector's objectives or strategic goals for the upcoming year.
4. **Submission requirements/detailed submission guidelines:**

   4.1. Description of assets: Provide a clear and detailed description of each asset requested, including specifications and quantities.
   4.2. Justification for requests: Explain the necessity of each asset and how it contributes to departmental functions or improves services.
   4.3. Expected cost and funding sources: Provide detailed cost estimates and identify the expected sources of funding.
   4.4 Timeline for acquisition and implementation: Outline the key milestones for acquiring and deploying the assets.

5. **Approval process/review and approval:** Indicate your understanding of the approval process and any responsibilities you have in this regard.
6. **Additional information/reference information:** An ANNEXURE giving the status of past requests funded in the last three years.
7. **Signature**: Ensure that the person authorised to submit asset requests signs the form. Include the date of signing.

C. **Final check and submission:**

   Review: Double-check the form for completeness and accuracy. Have another set of eyes from a relevant department review it if possible.

   Submit: Submit the completed form through the designated channel—either electronically or in hard copy, as specified.

Fixed asset management planning calendar

This calendar outlines key activities, their respective deadlines, and the responsible parties. It is structured to ensure a coordinated approach across different levels of management and departments.

Activity	Date	Responsible Person
1. Issuance of FAARF	January 10	CAMU at P&DD
2. FAARF Distribution	January 11	CAMU Nodes in Provincial Departments after approval from PAO
3. Information Session	January 20	CAMU Nodes (to educate Asset Managers and Facility Managers)
4. Submission of Initial Requests	February 10	Asset Manager will collect requirements from facility manager in districts
5. Compilation of District Requests	February 20	Asset Manager

Activity	Date	Responsible Person
6. Review and Prioritization at District Level with DEO	February 25	District Education Officer & Asset Manager
7. Submission to Provincial Department	March 1	District Education Officer
8. Provincial Compilation and Review	March 10	CAMU Nodes in Provincial Departments
9. Finalization of Provincial Requests	March 15	CAMU Nodes in Provincial Departments
10. Provincial Submission to Principal Accounting Officer	March 20	CAMU Nodes
11. Review by Principal Accounting Officer	March 25	Principal Accounting Officer
12. Approval and Final Budget Allocation Request to CAMU at P&DD	March 31	Principal Accounting Officer
14. CAMU review and finalization of provincial level requirement	April 10	CAMU

The FAARF will establish the requirements for fixed assets, which will then inform and become an integral part of the overall Annual Development Plan of the province, particularly concerning capital expenditures. These requirements submitted through the FAARF will cover the acquisition and procurement of new fixed assets, new infrastructure, and renovations. Additionally, as the Government of Khyber Pakhtunkhwa plans to implement the AMIS, future submissions and processing of the FAARF will be facilitated through this digital platform, enhancing efficiency and transparency in asset management.

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ANNEXURE – D: FIXED ASSET REGISTER FORMAT

Department name:
Asset category (from register index):
Asset sub-category:
Facility type:
Location:
Responsibility:

Asset ID	Asset Description	Asset Category	Department	Location	Date of Acquisition	Acquisition Cost	Funding Source	Condition at Acquisition	Current Condition	Useful Life	Depreciation Method	Annual Depreciation	Accumulated Depreciation	Net Book Value	Last Maintenance Date	Maintenance Frequency	Warranty Expiry Date	Responsible Person	Vendor/Supplier	Serial Number	Disposal Date	Method of Disposal	Sale/Disposal Proceeds

Instructions:

Column	Description	Details/Options
Asset ID	Unique identifier for each asset	Auto-generated or manually assigned
Asset Description	Detailed description of the asset	Include model, brand, etc.
Asset Category	Type of asset	Medical Equipment, Furniture, IT Equipment, etc.
Department	Owning or using department	, Education, etc.
Location	Physical location of the asset	Facility name, room number, building, etc.
Date of Acquisition	When the asset was acquired	DD/MM/YYYY
Acquisition Cost	Purchase price or donation value of the asset	In local currency
Funding Source	Source of funds for the asset acquisition	Government, Donation, etc.
Condition at Acquisition	Condition when the asset was received	New, Used, Refurbished
Current Condition	Current state of the asset	Excellent, Good, Fair, Poor, Out of Service
Useful Life	Expected operational lifespan of the asset	Number of years
Depreciation Method	Method used for calculating depreciation	Straight-line, Reducing balance, etc.
Annual Depreciation	Depreciation expense for the fiscal year	Calculated per selected method
Accumulated Depreciation	Total depreciation from acquisition to date	Sum of annual depreciation
Net Book Value	Current value of the asset (Acquisition Cost - Accumulated Depreciation)	Calculated value

Column	Description	Details/Options
Last Maintenance Date	Date of the most recent maintenance	DD/MM/YYYY
Maintenance Frequency	How often the asset requires maintenance	Annually, Bi-annually, Quarterly, etc.
Warranty Expiry Date	Expiry date of the warranty, if applicable	DD/MM/YYYY
Responsible Person	Person responsible for the asset	Name or job title
Vendor/Supplier	Company from which the asset was purchased	Company name
Serial Number	Manufacturer's serial number	Unique serial identifier
Disposal Date	If the asset has been disposed of, date of disposal	DD/MM/YYYY
Method of Disposal	How the asset was disposed	Sold, Donated, Scrapped, etc.
Sale/Disposal Proceeds	Amount received from disposing of the asset	In local currency
Notes	Additional relevant information about the asset	Any other relevant information

Note: With the integration of the Asset Management Information System (AMIS), the Fixed Asset Register will be fully configured within AMIS, streamlining data entry, tracking, and reporting processes

ANNEXURE – E: FORMS AND TEMPLATE

1. Form for Transfer of Movable Fixed Assets
2. Fixed Asset (in -year) Procurement Request Form
3. Fixed Asset Receipt Note
4. Request for Disposal of Fixed Asset Form
5. In-Kind Fixed Asset Form
6. Template for preparing R&M budget for Fixed assets

1. Form for Transfer of Movable Fixed Assets

Section	Information Required	Details/Options
1. Transferor Department Information	Department Name:	
	• Location	
	• Contact Person	
	• Contact Email	
	• Contact Phone Number	
2. Transferee Department Information	Receiving Department Name:	
	• Location	
	• Contact Person	
	• Contact Email	
	• Contact Phone Number	
3. Asset Details	• Asset Identification Number (AIN)	
	• Asset Description	
	• Asset Category/Type	
	• Serial Number	
	• Current Asset Condition	
	• Date of Acquisition	
	• Original Purchase Price	
	• Current Book Value	
4. Reason for Transfer	Reason:	- Surplus to current department needs - Better utilization in another department - Replacement of similar asset - Other (Specify): _____
5. Transfer Details	• Date of Transfer:	
	• Mode of Transportation	
	• Special Handling Instructions	
6. Approval and Signatures	Authorized Signatory (Transferor Department)	Signature: Date:
	Authorized Signatory (Transferee Department)	Signature: Date:
7. Acknowledgment of Receipt by Transferee Department	• Received by (Name & Position)	
	• Date Received	

Section	Information Required	Details/Options
	• Condition on Receipt	- As described - Damaged (Describe damage):
	• Comments/Additional Notes	
8. Document Attachments		- Photocopy of Original Purchase Document - Asset Condition Report - Approval Documentation from Both Departments - Other Relevant Documents

The transfer form for movable fixed assets will be processed through the Asset Management Information System (AMIS), ensuring that all workflow steps and approvals are managed digitally within this system. This integration with AMIS allows for streamlined processing, enhanced tracking of asset movements, and centralized management of approvals, ensuring that all actions are documented and compliant with organizational standards and policies.

2. Fixed Asset (in -year) Procurement Request Form

This form provides an organized way to fill out the necessary details for the procurement of fixed assets that **were not initially** part **of the annual PABCC request**.

Section	Information Required	Details/Options
Requestor Department Information	• Department Name	
	• Location	
	• Contact Person	
	• Contact Email	
	• Contact Phone Number	
Asset Category	Choose Asset Category	[ ] Medical Equipment [ ] Plant and Machinery [ ] School Furniture [ ] Electrical Equipment [ ] Office Equipment
Detailed Asset Description	• Asset Name/Type	
	• Specifications/Model	
	• Quantity Required	
	• Urgency Level	[ ] High (Immediate) [ ] Medium (Within 3 months) [ ] Low (Within the 6 months)
Justification for Urgent Procurement	• Reason for Request (Not included in PABCC)	
	• Impact of Not Acquiring	
Cost Estimation	• Estimated Unit Cost	
	• Total Cost	
	• Proposed Funding Source	
Vendor Information (if available)	• Vendor Name	
	• Vendor Contact Information	
	• Previous Experience with Vendor	[ ] Yes [ ] No
Required Approvals	Department Head Signature	Signature: Date:
Additional Information	Comments/Notes:	
Attachments		[ ] Quotes from Vendors [ ] Technical Specifications [ ] Justification Report [ ] Other Documents

3. Fixed Asset Receipt Note

Section	Information Required	Details/Options
1. Receipt Note Number		(Auto-generated)
2. Date of Receipt		(Current Date)
3. Supplier/Donor Information	• Name:	
	• Contact Information:	
	• Type:	[ ] Supplier [ ] Donor
	• Project Details (if applicable):	Project Name:
	• Project ID:	
4. Asset Details	• Asset Identification Number (AIN)	
	• Asset Description	
	• Asset Category/Type	
	• Quantity Received	
	• Condition of Asset on Arrival	[ ] New [ ] Used [ ] Needs Repair
5. Procurement Type	Type of Procurement	[ ] In-kind Donation [ ] Project Procurement
6. Financial Information	Cost (if procured)	
7. Funding Source		
8. Receiving Department	• Department Name	
	• Location	
	• Receiver's Name (Person)	
	• Receiver's Signature	
9. Inspection and Verification	• Inspected by	
	• Date Inspected	
	• Inspection Notes	
10. Approval for Asset Registration	Approved by	
	• Approval Signature	
	• Approval Date	
11. Additional Information	Comments/Notes	

Attachments:

[ ] Delivery Documents

[ ] Warranty Cards

[ ] Other Relevant Documents

4. Request for Disposal of Fixed Asset Form

Section	Information Required	Details/Options
Form Number		(Auto-generated)
Date of Request		(Current Date)
Department Details	Department Name	
	• Location	
	• Contact Person	
	• Contact Email	
	• Contact Phone Number	
Asset Details	• Asset Identification Number (AIN)	
	• Asset Description	
	• Asset Category/Type	
	• Date of Acquisition	
	• Current Book Value	
	• Condition of Asset	[ ] Obsolete [ ] Surplus [ ] Unserviceable
Reason for Disposal	• Full Reasons for Condemning the Asset	
	• Proposed Method of Disposal	[ ] Sale [ ] Public Auction [ ] Other (Specify): _____
Approval for Disposal	Signature of Competent Authority	Authority Competent to Sanction Disposal
	• Date	
Financial Considerations	• Estimated Value for Disposal	
	• Additional Charges (if applicable)	

Instructions for Completing the Form:

- Fill in all the sections with the required details, making sure the asset description and reason for disposal are detailed and justified.
- Proposed Method of Disposal should be selected based on the asset condition and departmental guidelines.
- Attach all necessary documentation, including approvals and references to the Book of Financial Powers or relevant schedules.
- Submit the form to the competent authority for approval before proceeding with the disposal.

5. In-Kind Fixed Asset Form

Section	Information Required	Details/Options
Receipt Form Number		(Auto-generated)
	• Date of Receipt	(Current Date)
Development Partner Details	• Name	
	• Contact Information	
Project Details	• Project Name	
	• Project Reference Number	
Asset Details	• Asset Identification Number (AIN)	
	• Asset Description	
	• Asset Category/Type	(e.g., Medical Equipment, IT Equipment, Furniture)
	• Quantity Received	
	• Condition of Asset on Arrival	(New, Used, Needs Repair)
In-Kind Donation Details	• Type of In-Kind Donation	(e.g., Vehicle, Office Equipment)
	• Value (if applicable)	
Receiving Department	• Department Name	
	• Location	
	• Receiver's Name (Person)	
	• Receiver's Signature	
Inspection Details	• Inspected by	
	• Date Inspected	
	• Inspection Outcome	(Conform to Specifications, Discrepancies Noted)
Approval for Asset Registration		Approved by
Additional Information		Comments/Notes

Attachments   (Delivery Challan, Inspection Report, etc.)

Instructions for Use:

- **Complete each section:** Ensure all fields are filled out with accurate and relevant information to maintain a comprehensive record of the asset received.
- **Document verification:** Use the form during the asset receipt to verify that the items match the description and quantity expected.
- **Approval and Inspection:** The form must be approved by the designated authority after a thorough inspection to confirm asset condition and compliance with specifications.
- **Asset Registration:** Following approval, the asset details should be entered into the Fixed Asset Register to maintain updated records of all assets.

6. Template for preparing R&M budget for Fixed assets

Section	Particulars
Facility Information	Facility Name:
	Type (Education):
	Location:
	Facility Manager:
Base Funding Level	Standard Budget Allocation:
	Fixed Amount per Facility (if applicable):
Adjustments for Facility Age	Age of Facility:
	Additional Funds Allocated (based on age):
Usage Intensity Considerations	Average Daily Footfall:
	Adjusted Budget for High Usage:
Review of Maintenance History	Previous Neglect Identified:
	Additional Funds for Maintenance Backlog:
Environmental Factors	Environmental Risks (e.g., weather, natural disasters):
	Adjusted Funds for Environmental Risks:
Facility Manager Input	Specific Needs Identified by Manager:
	Funds Allocated for Specific Needs:
	Maintenance Budget as per Manufacturer Guidelines:
Annual Budget Review	Previous Year's Actual vs. Budget Analysis:
	Adjustments for Next Fiscal Year:
Inflation Adjustment	Inflation Rate Considered:
	Adjusted Budget to Account for Inflation:
Total R&M Budget for the Year	Total Allocated Funds:

Instructions for Use:

Facility Information: Fill in the basic details about the facility including the type, location, and the facility manager responsible.

Base Funding Level: Set a baseline budget for standard upkeep based on a fixed amount or percentage of the total budget.

Adjustments for Facility Age: Increase funds for older facilities requiring more extensive maintenance.

Usage Intensity Considerations: Adjust the budget higher for facilities with higher footfall to account for increased wear and tear.

Review of Maintenance History: Allocate additional funds to facilities that have a history of being neglected to address any maintenance backlog.

Environmental Factors: Factor in additional budget for facilities in areas prone to harsh weather conditions or environmental risks.

Facility Manager Input: Include adjustments based on feedback from the facility manager who can provide details on specific issues or needs.

Annual Budget Review: Use the end-of-year review to adjust the next year's budget based on spending patterns and actual maintenance needs.

Inflation Adjustment: Update the budget to reflect current economic conditions and ensure the purchasing power of the allocated funds is maintained.

ANNEXURE – F: STEP-BY-STEP PROCESS FOR ESTABLISHING BUDGETARY NORMS FOR O&M OF FIXED ASSETS

Step 1: Asset Classification
Action: Classify fixed assets based on type (e.g., buildings, vehicles), usage (office, service delivery), size, amenities, condition, and location.
Responsible: Communication and Works Department for classification guidelines; individual departments (Education) for asset inventory management.

Step 2: Data Collection and Analysis
Action: Collect and analyze data regarding the current condition and maintenance history of assets. Utilize condition inspection surveys and historical maintenance records.
Responsible: Facility managers and repairs and maintenance departments within the ES&ED.

Step 3: Development of Budgeting Templates and Norms
Action: Develop R&M budgeting templates that consider asset classification, repair frequency, and cost drivers like labor, materials, and overheads. Consider regional variations in cost.
Responsible: Finance Department, with input from the Communication and Works Department.

Step 4: Set Cost Drivers and Multipliers
Action: Define cost drivers based on asset conditions and operational requirements. Establish multipliers for different asset categories to adjust for service delivery requirements, building size, and asset condition.
Responsible: Communication and Works Department, with consultation from ES&ED.

Step 5: Pilot and Refine Budgeting Norms
Action: Implement the newly developed BNGs in pilot ministries or facilities. Monitor outcomes and gather feedback.
Responsible: Pilot facilities within the E&SED, coordinated by the Finance Department.

Step 6: Assessment and Adjustment
Action: Assess the effectiveness of the Budgeting Norms after a full fiscal cycle. Adjust the budgeting norms based on the lessons learned and feedback from the pilot implementation.
Responsible: Finance Department, with feedback from ES&ED.

Step 7: Sector wide Implementation
Action: Roll out the refined budgetary norms across all relevant facilities province wide. Provide training and support for the implementation.
Responsible: Finance Department, supported by ES&ED.

Step 8: Ongoing Review and Updates
Action: Establish a schedule for regular reviews of the repair and maintenance budgetary norms. Update the norms and guidelines based on changes in economic conditions, asset usage, and technological advancements.
Responsible: Finance Department.

ANNEXURE – G: FIXED ASSET MANAGEMENT CLASSIFICATION FRAMEWORK

Adopting a three-level asset classification framework offers myriad benefits, especially when considered in the context of the government's anticipated implementation of a web-based Asset Management Information System (AMIS). Here's an in-depth understanding:

Granularity and Specificity: The Four-tiered structure allows for a broad category at the top level, breaking down into more specific sub-categories in the subsequent levels. This granularity ensures that every asset can be pinpointed accurately, minimizing ambiguities. For example, 'Machinery & Equipment' can be refined to 'Medical Equipment', and further detailed as 'Diagnostic Devices' or 'Surgical Instruments'.

Ease of Recording in AMIS: With the introduction of the AMIS, the structured classification simplifies the process of recording new assets. When a new item is acquired, it can be easily categorized within the system, ensuring assets are not miscategorized or overlooked. This systematic approach reduces errors and maintains consistency in asset recording across education facilities.

Efficient Reporting through AMIS: The system, with its digital interface, will facilitate streamlined reporting. Whether it's for internal audits, financial statements audit, or compliance audit, a well-structured classification ensures that data extraction is straightforward and instantaneous. This digital advantage amplifies the benefits of the three-level classification.

Optimized Asset Management: The framework, combined with the AMIS, will revolutionize asset management. Managers can determine maintenance schedules, predict asset lifecycles, and make informed decisions about replacements or upgrades, all through a centralized digital platform. This synergy enhances asset longevity and enables cost savings.

Global Standards and Local Relevance: The multi-tiered classification aligns with global best practices, such as those stipulated by IPSAS and GFSM. This ensures the system's compatibility with international benchmarks, aiding potential external audits or collaborations, while also catering to local needs.

Decision-making in Real-time: With the AMIS providing real-time data based on the classification, decision-makers can effectively allocate budgets, prioritize tasks, or strategize future acquisitions. The system's accessibility to all facility managers and district officials ensures that data-driven decisions are made across the board.

The impending web-based Asset Management Information System will act as a catalyst. By configuring the new classification system into the AMIS, it's not just about digitizing records; it's about empowering facility managers and district officials. With access to the system, they can record, manage, and generate reports, leading to a more informed and efficient asset management approach.

The proposed fixed asset Management classification

This section unveils the suggested asset classification framework, derived through consultations with provincial and district officials, on-site assessments at various facilities, and a comprehensive review of relevant documents.
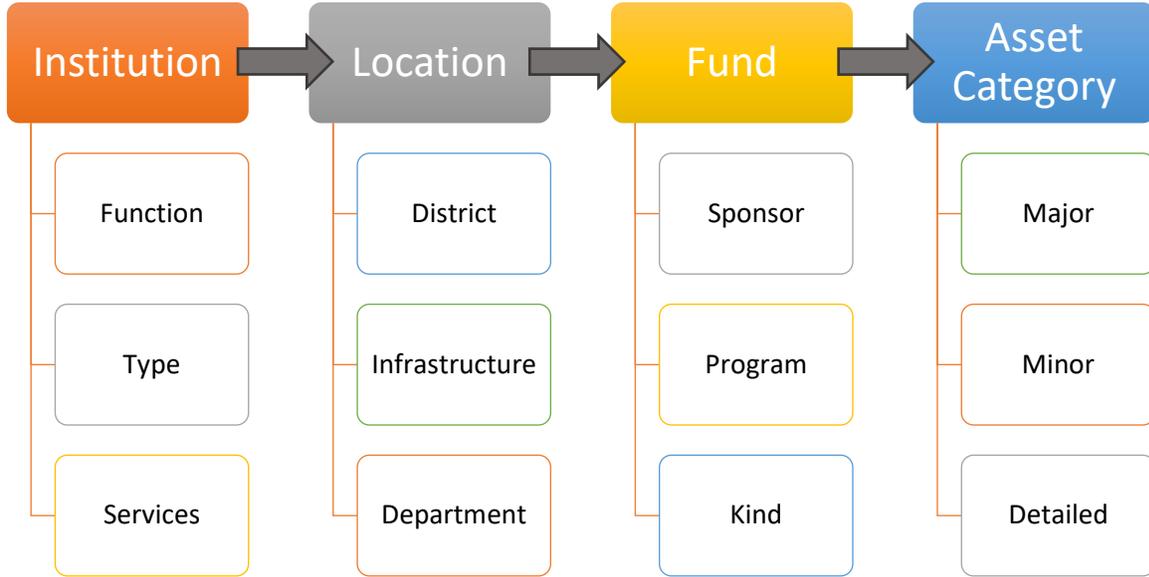
The proposed Asset Management Classification Structure, specifically tailored for Khyber Pakhtunkhwa's primary and secondary schools, represents a pivotal step towards a more organized and efficient management of resources. Designed to integrate seamlessly with the Asset Management Information System (AIMS), this structure is more than just a categorization tool. It's a forward-looking strategy that underscores Khyber Pakhtunkhwa's commitment to enhancing the quality of its public services.

At its core, the quad-segmented architecture is designed for clarity, simplicity, and precision. The first segment, capturing the essence of the institution, details its function, type, and services offered. This foundational layer ensures that assets are associated with their respective operational environments. The second segment provides geographical context, pinpointing the asset's location down to the district, the type of infrastructure housing it, and its specific departmental placement. Such granularity not only facilitates swift asset identification and management but also ensures that each asset is uniquely identifiable.

The 'Fund' segment sheds light on the financial and provisioning origins of each asset. This segment provides a comprehensive overview of who sponsored the asset, from which specific program it was funded, and the nature of the provision - whether in-kind or monetary. The fourth segment delves deep into the specifics of the asset itself, categorizing it by major, minor, and detailed classifications. This systematic tiered approach aids in granular tracking, optimal utilization, and efficient maintenance.

The rationale behind this comprehensive four-dimensional framework is multifaceted. It streamlines the asset management process, ensuring every asset, irrespective of its nature or location, is methodically cataloged. By integrating details like operational context, geographical location, exact specifications, and funding source, the framework offers a holistic view of each asset. Furthermore, aligning with international standards like ISO, this structure ensures that Khyber Pakhtunkhwa adheres to global best practices, thus paving the way for potential collaborations, partnerships, and elevating its asset management capabilities to a global standard.

Four-dimensional Fixed Asset Classification

Institution	→	Location	→	Fund	→	Asset Category
Function		District		Sponsor		Major
Type		Infrastructure		Program		Minor
Services		Department		Kind		Detailed

Fixed Asset Classification Description

Segment	Level	Description
Institution	Function	Operational level of the facility: primary or secondary care for elementary to higher secondary for education.
	Type	Specific type of facility: boys, girls, Maktab etc., institutions for education.
	Services	Specific services/programs: special education or vocational training for education.
Location	District	Geographical administrative unit where the facility is located.
	Infrastructure	Type of infrastructure: service delivery or residential.
	Department	Specific department/unit: radiology or pediatrics for science or arts department for education.
Fund	Sponsor	This element identifies the primary entity or organization that has financed or provided the asset. It essentially pinpoints the origin of the asset's funding or provision. (Govt. of KP budget, federal government or donated)
	Program	This element elaborates on the specific program through which the asset was procured or received
	Kind	This element classifies the nature of the asset's provision, determining whether it was a direct financial contribution or a tangible donation.
Asset Category	Major	Broad classifications: machinery, land, building.
	Minor	Specific types under major categories: medical equipment or IT equipment under machinery.
	Detailed	Granular level: MRI machine under medical equipment; desktop computers under IT equipment.

The first segment, termed **'Institution**', provides a macro perspective. The 'Function' pinpoints the operational level, delineating between primary, middle, secondary and higher secondary schools (E&SED). The 'Type' element further refines this by identifying specific facility types, Boys, Girls, Maktab, etc. for E&SED. Lastly, 'Services' categorizes the distinct services rendered by these facilities, like in education it could be special, vocational etc. ensuring stakeholders understand the breadth and depth of services offered.

The **'Location'** segment zooms into the geographical and infrastructural specifics. The 'District' offers a geographic demarcation, aiding in regional asset management. The 'Infrastructure' element discerns between residential and service delivery structures, allowing for nuanced asset allocation and management. The 'Department' element further narrows down the focus, recognizing the distinct departments within education facilities, thus facilitating targeted asset management.

The '**Fund**' segment of the asset management framework offers insight into the financial and provisioning origins of each asset within Khyber Pakhtunkhwa's E&SED. The 'Sponsor' element identifies the primary benefactor, be it local entities like district or provincial governments, federal intervention, or donations from international development partners and local NGOs. The 'Program' element distinguishes between assets procured from specific program budgets, facilitating accurate budgetary planning and oversight. Meanwhile, the 'Kind' element demarcates assets provided either as monetary contributions or directly in physical form, ensuring clarity in inventory and financial reporting.

The final segment, **'Fixed Asset Category'**, delves into the minutiae of the assets. It starts with the 'Major category', broad classifications of assets. This funnels down to the 'Minor' category, offering a more detailed classification. The last element is the 'Detailed' category, providing an exhaustive breakdown of assets.

Fixed Asset Category- E&SED

In the realm of Khyber Pakhtunkhwa's primary and secondary education sector, the asset categorization stands out as a pivotal element. Schools operating under the Elementary & Secondary Education Department benefit from a tailored classification, addressing the unique operational dynamics of Primary, Secondary, and potentially, Higher Secondary institutions. Such granularity in classification acts as a lens, offering clarity on the present state of resources while also allowing for forward-looking planning. This emphasis on detailing ensures assets, be it tangible like classroom furniture and gymnasiums or technological like computer equipment, are systematically accounted for. This approach stems from the understanding that asset registers, serving as raw data repositories at each facility, aren't just archival tools. Instead, they are vital instruments that inform strategic decision-making, ensuring each educational institution operates optimally.

Asset Category Classification for Education

Major	Minor	Detailed
1. Infrastructure Assets	1.1. Land	1.1.1. School land
		1.1.2. Playground areas
		1.1.3. Parking lots
	1.2. Buildings	1.2.1. Academic buildings
		1.2.2. Administrative buildings
		1.2.3. Dormitories/hostels
		1.2.4. Gymnasium
2. Machinery & Equipment	2.1. Classroom Equipment	2.1.1. Projectors & screens
		2.1.2. whiteboards
	2.2. Educational Equipment	2.2.1. Science lab
		2.2.2. Sports equipment
3. IT & Digital Assets	3.1. IT Hardware	3.1.1. Computers & laptops
		3.1.2. Scanners and printers
		3.1.3. Networking equipment
		3.1.4. CCTV security cameras
	3.2. Software & Licenses	3.2.1. Educational software
		3.2.2. Administrative software
		3.2.3. Security software
4. Furniture & Fixtures	4.1. Classroom Furniture	4.1.1. Desks
		4.1.2. Chairs
	4.2. Office Furniture	4.2.1. Tables
		4.2.2. Chairs
		4.2.3. Cabinets
	4.3. Outdoor Furniture	4.3.1. Benches
		4.3.2. Playground installations
5. Utility & Electrical Equipment	Electrical Equipment	5.1.1. Solar panel systems
		5.1.2. Water pumps & motors
		5.1.3. Generators
		5.1.4. Heavy Batteries and Stabilizers
		5.1.5. Air-conditioning units
6. Vehicles	6.1.Office	6.1.2. Car
		6.1.2 motor cycle

ANNEXURE – H: DOMAIN DRIVEN ARCHITECTURE-AMIS

An Asset Management Information System (AMIS) shall be implemented to maintain the assets registers and extend the same with appropriate rights to various units/ offices/ facilities being operated by the E&SED. In extending use of the technology, the Departments of E&SE will consider the use of seamless internet connectivity, mobile application versions of the asset management information systems, information security requirements, back-up to ensure real-time connectivity.

The software will, at the minimum, enable the following:

(ii) Maintain fixed asset classifications structure as per this policy i.e., system configuration.
(iii) Generation of fixed asset tag numbers and integration with registry process.
(iv) E-document repository maintained throughout fixed asset life cycle.
(v) End-to-end process management for repairs, maintenance, and disposals, including request facilitation from the fixed asset user.
(vi) Reporting against scheduled repairs, disposal, inspection, asset count, revaluation, and impairments.
(vii) A notification panel that flags asset items due for registration, repairs, revaluation, impairment testing, revision in useful life and disposal.
(viii) Setup for automated depreciation and amortization routines.
(ix) User rights definition and workflow.

To undertake advanced monitoring as well as effective utilization of asset, the E&SED may consider following technologies in future:

(i) Data intelligence systems that draw on data from multiple sources to create a new set of metrics that link, for example, the satisfaction of occupiers within a particular building serving the public and the outputs delivered to the public, e.g. asset-to-faculty ratio, asset technology relative to teacher qualification, specialized medical equipment per room/ patient. When combined with data on the cost of space, this can lead to more informed strategic decisions on the estate and tactical decisions on repair and maintenance strategies.
(ii) Sensor technology can enable the climate, air quality and internal environment to be tailored to the use being made of a room, zone, or floor by linking space utilization data with a building management system. The use of such technology relies on business intelligence systems that feed input to reconfigure space and improve utilization levels.

The following domains will constitute the entirety of asset of management from a technology perspective. The architecture may be updated to include additional domains as-and-when these are identified.

A. Portal

A01. Information Services

- Assets schedule;
- Assets utilization & maintenance report;
- Asset planning report

A02. Transaction Services

- Tag generation;
- Request for maintenance;
- Request for new acquisitions;
- Proposal for disposals;
- Requests for modifying authority;
- Calling inspection;
- Change in asset particulars, including condition

LAN/Internet/VPN

Internet

B. MIS Application Module

B01. Fixed assets tagging	B02. Asset tracking & maintenance
B03. Asset planning	B04. Financial planning
B05. Asset performance	B06. Stock-take/ Inspection management

D. MIS and Reporting

D01. Business Intelligence and Reporting

F. Workflow management

| F01. Document Mgt. System | F02. Content Mgt. System | F03. Workflow Engine | F04. Business rules |

G. MIS Database

- G01. Assets technical information
- G02. Assets financial information
- G03. Logs and trails
- G04. Entity Information

C. Enterprise (CAMU) Operations

C01. Assets & inventory management

C02. Expenditure management

C03. Accounting and reporting

C04. IT infrastructure management

C05. Human Resource management

System Interface for data exchange

E. Interfacing IT System

E01. P&D Board

E02. Finance Dept. (IFMIS)

E03. District Offices and Facilities

E04. C&W