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Public Assets Management Guideline

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**PUBLIC ASSETS
MANAGEMENT GUIDELINE**

Revised Edition, 2019

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PREFACE

The Public Assets Management Guideline 2019 is an outcome of periodical evaluation of Government Assets Guideline 2012 which has been used to manage assets in Central and Local Government Authorities. Hencewith, Government Assets Guideline 2012 is amended to address policy, legal, regulatory, operational and technological challenges that arising in the course of managing public assets. These challenges have been unfolded following extensive consultations and much deliberation amongst actors and stakeholders within the public sector. The Public Assets Management Guideline 2019 repeals the Government Assets Guideline 2012 in order to make better provisions for the more effective management of public assets.

Therefore, Ministry of Finance and Planning wishes to acknowledge contributions of all actors and stakeholders who made this work possible. The implementation of this guideline foresees the best opportunity in bringing about accountability and responsibility in managing public assets.



Doto M. James,
Paymaster General,
30th April, 2019,
Dodoma, Tanzania.

ABBREVIATIONS & ACRONYMS

AO	Accounting officer
CAG	Controller and Auditor General
DAHRM	Director of Administration and Human Resources Management
DGAM	Director for Government Assets Management
GAAP	Generally Accepted Accounting Practice
GAMD	Government Assets Management Division
GAVP	Generally Accepted Valuation Principles
IAG	Internal Auditor General
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IPSAS	International Public Sector Accounting Standards
IFRS	International Financial Reporting Standards
IVS	International Valuation Standards
IVSC	International Valuation Standards Committee, 2007
ISO	International Organization for Standardization
LAAC	Local Authorities Accounts Committee
LGA	Local Government Authority
MDA	Ministries, Departments and Agencies
PAC	Public Accounts Committee
PFA	Public Finance Act of 2001, Cap 348
PMG	Paymaster General
PMU	Procurement Management Unit
PPA	Public Procurement Act of 2011, Cap 410
PPE	Property, Plant and Equipment
REL	Remaining Economic Life

DEFINITIONS

An Asset is an item, thing or entity that has potential or actual value to an organization. The value will vary between different organizations and their stakeholders, and can be tangible, financial or non-financial (International Standard for Physical Asset Management - ISO55000). *It is a resource with economic value that an individual, corporation or country owns or control with expectation that it will provide a future benefit.* Assets are reported on a balance sheet and are bought or created to increase organization's value or benefit the organization's operations.

Assets Register means a data source that records information on individual assets of a certain value. Information may include the assets' location, condition, utilization and ownership details, as well as the value and depreciation of the asset and its major components.

Amortization is applicable to land and intangible assets and shall refer to as the process of expensing the cost over the projected life of those assets.

Asset Valuation means a process in which the value of an interest in property (asset) is assessed by the Valuer (The Valuation and Valuers Registration Act of 2016, Cap 138).

Acquisition date is the date on which the asset was acquired for the first time.

Accountant General is the officer under the Permanent Secretary Treasury who is appointed in accordance with Section 7 (1) of the Public Finance Act of 2001, Cap 348.

Accounting Officer is any officer appointed by the Paymaster General and charged with the duty of accounting for service in respect of which money have been appropriated by the National Assembly or any person to whom issues are made from the consolidated fund.

Assets Verification is an auditing process in which the actual existence of assets appearing in the records is confirmed.

Carrying amount is the amount at which an asset is recognized in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Capitalization Threshold is the value above which assets are treated as capital assets and entered into an asset register from which reporting in the financial statements (specifically the Statement of Financial Position) is extracted.

Cost is the amount required to create or produce the good or service. When that good or service has been completed, its cost is a fact. Price is related to cost because the price paid for a good or service becomes its cost to the buyer.

Default in-service date- it shows the default placed in-service date used by all books on which the asset appears. The placed in-service date that is on the books is used for posting.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life to the income statement **OR** is the measure of wearing out, consumption or other losses of value whether arising from use, abuse, lapse of time or obsolescence through technology or market changes.

Depreciable amount of an asset is the cost of the asset less the residual value of the asset.

Director of Government Assets Management Division is the officer appointed by the Permanent Secretary Treasury and the paymaster General, charged with the duty of managing public assets.

Economic Life refers to the expected period of time over which an asset is to be economically used **OR** the estimated total service, expressed in terms of production units that is expected to be economically obtained from the asset when employed in the business of an entity.

Fair value – is the amount of which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage Assets – are defined as assets with cultural, environmental or historical significance in accordance with written laws of the land.

Immovable asset is an object or an item of property that cannot be moved without destroying or altering it. It is a property that is fixed to the earth, such as a house.

Insurance is a contract that exposes the insurer to identified risks of loss from events or circumstances occurring or discovered within a specified period, including death (in the case of an annuity, the survival of the annuitant), sickness, disability, property damage, injury to others and interruption of operations (IPSAS).

Insurable value refers to the value of an asset at which they are considered to be insured; usually subjected to provisions of related policies.

Impairment is a 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.

Intangible assets are trademarks, licenses and/or the legally enforceable rights associated with copyright and patents which do not have a physical form.

Inventories are produced assets consisting of goods which came into existence in the current period or in an earlier period, and that are held for sale, use in production, or other use at a later date.

Market is the environment in which goods and services are traded between buyers and sellers.

Market Value means the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

Movable asset is defined as any other item that don't fall under the definition of immovable asset.

Non-Current Assets are assets other than the current or financial assets. In other words, these are assets which are expected to generate economic benefits over more than one year and are illiquid.

Original in-service date is the date asset was originally placed in service.

Paymaster General is the officer referred to in Section 6 (7) of the Public Finance Act of 2001, Cap 348 and vested with the power to control the issue of public money to Accounting Officers.

Price is a term used for the amount asked, offered or paid for a good or service as a result of financial capabilities, motivations or special interests of a given buyer or seller, the amount paid for goods or services may be different than the value which might be ascribed to the goods or services by others. Price is factual with self-motivational factors and, generally under normal circumstances an indication of a relative value placed when traded on an open/free market.

Property, Plant and Equipment (PPE) are tangible assets, extricable combined with others or running singly to assist the operations of an entity, in service delivery, for rental to others, or for administrative purposes, and expected to be used for more than one financial year.

Public Asset refers to a resource with economic value that Public Entity owns or control with expectation that it will provide a future benefit.

Public Entity, for the purpose of this Guideline, is any organization established within the public service that exercise a public function.

Recoverable Amount is the higher of a cash-generating asset's or unit's net selling price and its value in use.

Residual value is the estimated amount that the Government would currently obtain from the disposal of the asset, after deducting the cost of disposal, if the assets were in the age and condition expected at the end of its useful life.

Replacement Value refers to the cost of acquiring an asset at current prices having utility equivalent to asset under consideration but of materials, standards and design according to prevalent market technology.

Revalued amount refers to the fair value of an asset at the date of a revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Special Committee means the committee formed by the Director of Government Assets Management Division to evaluate suggested changes in this Guideline, before being approved by the Paymaster General.

Straight line depreciation refers to a method of providing depreciation by which assets are written off in equal annual amounts.

Value is an estimate of the likely price to be paid for goods and services in an exchange in open market or a measure of the economic benefits of owning those goods or services without any self-motivational (no pull factors like black market, money laundering attractions). Value in exchange is a hypothetical price and the hypothesis on which the value estimated is determined by the valuation objectives/factors.

VISION, MISSION AND ASSETS GUIDELINE STATEMENT

The Vision of the Ministry of Finance and Planning:

To be a centre of excellence in managing macro-economy and financial systems for enhancing economic growth.

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The Mission of the Ministry of Finance and Planning:

To promote economic growth and macro-economic stability through prudent economic and financial policies.

Public Assets Management Guideline 2019 Statement:

To manage public assets through monitoring the way they are acquired up to disposal in a manner that maximize the value of the assets.

1. INTRODUCTION

The Public Assets Management Guideline 2019 is aimed at redirecting management of public assets following various challenges which continue to prevail. The existing assets management practices have not significantly contributed to the efforts of improving quality of services rendered by the Government. For example, maintenance of assets register has continued to be amongst the major challenges facing many of the Public Entities (PEs). Eventually, it has become not possible to retrieve information that would enable proper decision making to be carried out. Hence, establishing a unified and consistent set of procedures in managing public assets is the main objective of this Guideline.

The Government Assets Management Division (GAMD), through Public Assets Management Guideline 2019 has prescribes procedures for acquisition, allocation, maintenance, valuation, accounting, disposal and other activities involved in managing public assets. In addition, through this Guideline the Government shall be able to monitor and evaluate its assets portfolios and react accordingly.

2. OBJECTIVE

The general objective of this Public Assets Management Guideline 2019 is to establish a unified and consistent set of procedures in managing public assets during the course of service delivery.

The Specific objectives of the guideline are; -

- i. To indicate responsible actors involved and their roles and responsibilities for managing public assets,
- ii. To establish accountability and transparency when managing public assets,
- iii. To set controls through clear and comprehensible instructions
- iv. To harmonize local assets management practices with agreed international standards.

3. SCOPE

This Public Assets Management Guideline 2019 covers organizations which operate in Central Government, Local Government Authorities and Parastatals. The Donors' funded and Public – Private Partnership projects shall also be covered.

4. STATUTORY FRAMEWORK

Amongst the statutes governing assets management in Tanzania are:

- i. The Constitution of the United Republic of Tanzania
- ii. The Public Finance Act of 2001, Cap 348.
- iii. The Public Procurement Act of 2011, Cap 410.
- iv. Local Government Finance Act of 1982, Cap 290
- v. Forest Act of 2002, Cap 323
- vi. Wildlife Conservation Act of 2009, Cap 283
- vii. Land Act of 1999, Cap 113
- viii. Valuation and Valuers Registration Act of 2016, Cap 138
- ix. Standing Orders, 2009
- x. And any other relevant Legislations

5. ASSETS MANAGEMENT STANDARDS

These standards shall include ISO55000, International Valuation Standards (IVS), International Public Sector Accounting Standards (IPSAS) and International Financial Reporting Standards (IFRS). The overall management systems and procedures employed in maintaining assets and related information shall comply with relevant standards.

The standards are; -

- i. IPSAS 1 Presentation of financial statements
- ii. IPSAS 2 Cash flow statement
- iii. IPSAS 3 Accounting policies, changing in accounting estimates and errors
- iv. IPSAS 17 Property, Plant and Equipment
- v. IPSAS 21 Impairment of non-cash-generated assets
- vi. IPSAS 22 Disclosure of information and financial statement
- vii. IPSAS 11 Construction contract
- viii. IPSAS 12 Inventories
- ix. IPSAS 16 Investment Property
- x. IPSAS 27 Agriculture
- xi. IPSAS 32 Service Concession Arrangements: Grantor
- xii. IVS 105 Valuation Approaches & Methods
- xiii. IVS 210 Intangible Assets
- xiv. IVS 300 Plant & Equipment
- xv. IVS 410 Development Property
- xvi. ISO55000 Overview of Assets Management
- xvii. ISO550001 Specification requirement and integration of effective management
- xviii. ISO550002 Guidance in implementation of Assets Management System
- xix. Non-Current Assets Held for Sale and Discontinued Operations
- xx. And any other standard which might be relevant for the purpose of Government assets

6. ROLES

The assets management in public sector has different actors with different power and authority in managing public assets. These actors have been assigned with roles and responsibilities for proper management of public assets. The following are roles and responsibilities;

6.1. Role of the Paymaster General

The Paymaster General is the principal custodian of all public assets, and shall; -

- i. Instruct any Accounting Officer or an entity that manages public assets to provide assets information as considered necessary to do so;
- ii. Assign GAMD to inspect assets in a particular public office for the purpose of monitoring compliance to provisions of the Public Finance Act 2001;
- iii. Authorize transfers of public assets from one Accounting Officer to another and all cross-border transfers of public assets;
- iv. Authorize disposal of public assets in all public entities;
- v. Authorize acquisition and disposal of public assets of extreme values unless decided otherwise; and
- vi. Decide on accounting and utilization of forfeited assets.

6.2. Role of Accounting Officer

The Accounting Officer is the custodian of all public assets on behalf of the Paymaster General in a particular vote, and shall; -

- i. Adhere to assets acquisition and disposal procedures as stipulated in Public Finance Act of 2001 Cap 348, Public Procurement Act of 2011 Cap 410 and other applicable legislation (s);
- ii. Provide both hard and soft copy of an asset register to facilitate verification of assets and related information;
- iii. Introduce and implement proper internal control systems in managing public assets;
- iv. Account for assets in accordance with applicable standards;
- v. Update the assets registers;
- vi. Submit assets statement to PMG for certification by GAMD before preparing the final accounts;
- vii. Inform the PMG in writing any material change in operations which may demand a change in the format of assets register by GAMD;
- viii. Inform the Paymaster General on obsolescence, losses, transfers and any changes of status occurring to public assets for further action;
- ix. Seek approval from the PMG on disposal of public assets;
- x. Authorize transfers of assets within the public entity;
- xi. Prepare replacement plan of assets after conducting internal survey to determine usefulness of assets;
- xii. Appoint an officer with relevant knowledge to manage assets of the public entity; and
- xiii. Adhere to the Public Assets Management Guideline 2019.

6.3. Role of Accountant General

The Accountant General is the principal adviser of Paymaster General on matters relating to accounts and financial management, and shall; -

- i. Observe compliance to disclosure requirements of non-current assets as prescribed by International Accounting Standards Board;
- ii. Consolidate assets statements from public entities when finalizing the financial accounts;
- iii. Collect and account for proceeds obtained from the disposal of assets in liaison with GAMD; and
- iv. Present the financial position of the Government at a particular time period.

6.4. Role of Director of Government Assets Management

The Director of Government Assets Management is the principal adviser of Paymaster General on matters relating to assets management, and shall; -

- i. Advise PMG on formulation and review of guideline and various directives for proper management of assets;
- ii. Maintain the centralized assets register;
- iii. Authorize updating of assets register following periodic verification of assets;
- iv. Conduct physical verification of assets in public entities;
- v. Determine the identification system for public assets;
- vi. Provide classification structure for public assets in accordance with International Standards;
- vii. Observe that assets are disposed-off in accordance with the policies, legislations and regulations;

- viii. Compile and analyze asset losses from public entities to be written-off by National Assembly;
- ix. Approve assets statements for public entities before updating into the register;
- x. Certify assets statements of public entities before preparing the final accounts;
- xi. Observe proper valuation of public assets in accordance with International Standards;
- xii. Advise PMG on transfers of public assets;
- xiii. Prepare extracts and a consolidated statement of major observations for assets verifications carried out in public entities, and issue recommendations to PMG, prior to submission of the same to CAG;
- xiv. Advise PAC and LAAC on matters related to management of assets in public entities;
- xv. Facilitate and coordinate training on public assets management;
- xvi. Manage disposal of public assets; and
- xvii. Update this Public Assets Management Guideline 2019 as and when the need arises.

6.5. Role of Head of Procurement Management Unit

The Head of Procurement Management Unit is the adviser of the Accounting Officer on matters relating to procurement of goods, works, consultancy and non-consultancy services, and shall; -

- i. Acquire assets in accordance with the Public Procurement Act of 2011, Cap 410;
- ii. Update Assets register when assets are received into the public entity;

- iii. Observe that assets are received as specified by the user and in good order and condition;
- iv. Update assets register when disposal of assets is completed; and
- v. Observe that assets are properly coded when acquired by the public entity.

6.6. Role of Director of Administration and Human Resources Management

The Director of Administration and Human Resources Management is the adviser of the Accounting Officer on matters of assets relating to administration and Human resources management, and shall; -

- i. Maintain records of assets loaned to employees;
- ii. Observe that loaned assets under employee's possession are handed over upon termination of service; and
- iii. Approve asset clearance form before payment of terminal benefits to the employee.

6.7. Role of Head/In-charge of Division/Unit or Section

The Head/In-charge of Division/Unit or Section is the adviser of the Accounting Officer on matters of assets relating to a particular line of operations, and shall; -

- i. Make employees under the division/unit familiar and adhere to the approved assets management policies and procedures;
- ii. Maintain assets in accordance with the respective assets policies, legislations and regulations;
- iii. Observe that assets under their jurisdiction are not used for private gain;

- iv. Be accountable and responsible for all assets under their jurisdiction;
- v. Inform the Accounting Officer of any change in the status of the asset;
- vi. Observe that the approval is received from an Accounting Officer before asset is internally transferred and later inform GAMD on such transaction; and
- vii. Investigate on any loss of assets and inform the Accounting Officer.

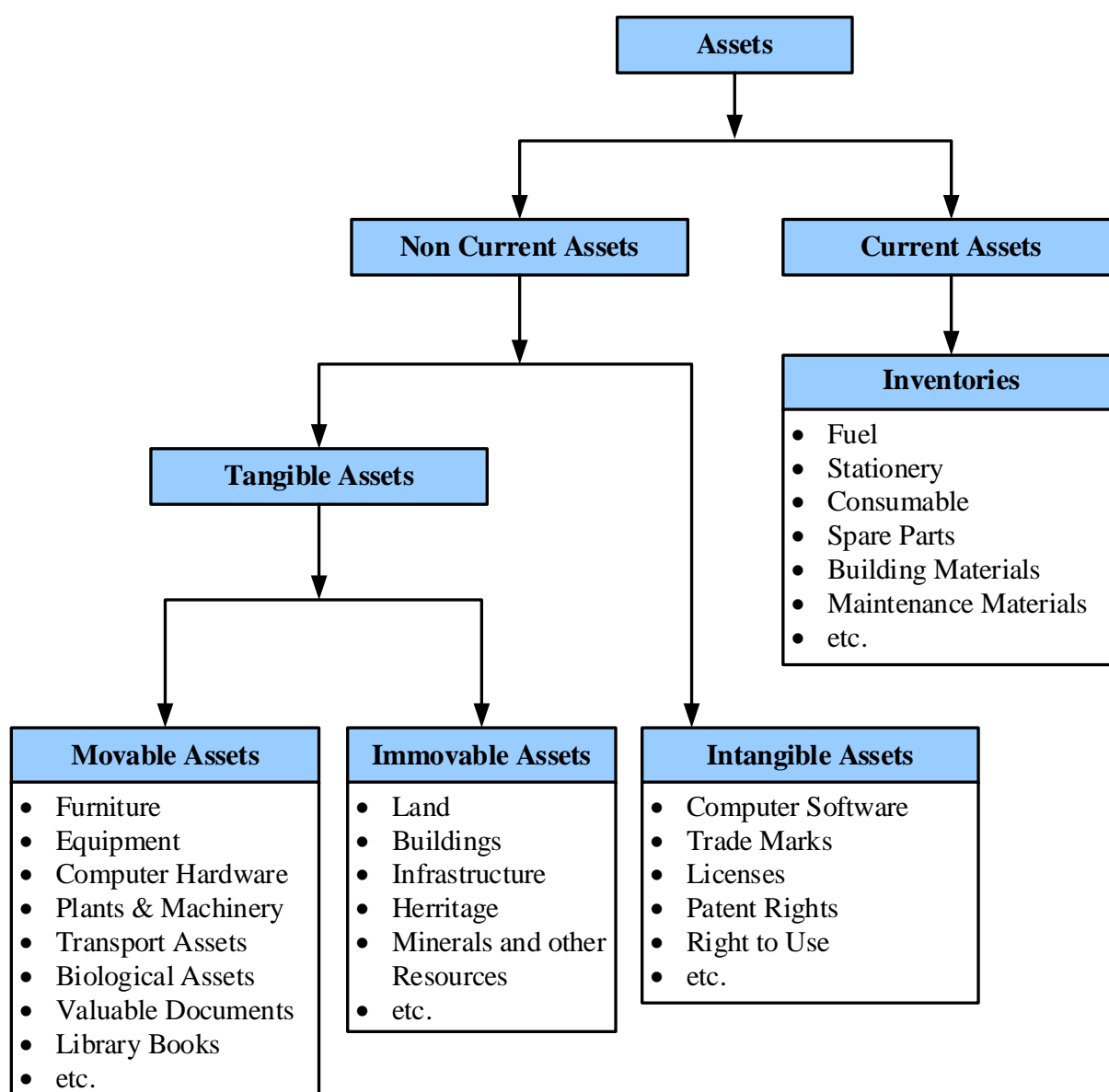
6.8. Role of Internal Auditor General

The Internal Auditor General is the principal adviser of Paymaster General on matters of assets relating to internal auditing, and shall; -

- i. Test the internal controls on assets management within a public entity;
- ii. Evaluate internal controls on assets management in a public entity and accordingly advise; and
- iii. Propose alternative internal controls on assets management to the Accounting Officer.

7. CLASSIFICATION OF ASSETS

Classification of assets is a grouping of assets of similar nature or function. For the purpose of this Guideline assets shall be grouped into non-current assets and current assets. Furthermore, non-current assets shall be classified as tangible and intangible assets as shown below.



Source: Government Assets Management Division 2019

Current assets will be classified as inventories if meet the definition of assets and should have either of the following criteria; a. materials or supplies to be consumed in the production process; b. materials or supplies to be consumed or distributed in the rendering of services; c. assets held for sale or distribution in the ordinary course of operations; d. assets in the process of production for sale or distribution. This group of inventories may include the following; -

- a. Medical supplies
- b. Fuel
- c. Spare parts
- d. Building materials
- e. Books
- f. Stationeries etc.

8. ACQUISITION OF ASSETS

Assets may be acquired through procurement, transfers, confiscation, heritage, donations or any other method considered appropriate. The methods applied for acquisitions of assets shall be in accordance with the relevant legislations and regulations. In case of acquisitions through procurement, all assets to be procured for a particular financial year shall be in accordance with the annual procurement plan.

9. IDENTIFICATION OF ASSETS

Every acquired asset shall be identified by unique identification code/number. The identification will depend on nature of a particular asset class. For example, motorized assets shall use registration number, land shall use plot number, while furniture and equipment shall use bar code. Other asset classes each shall be identified according to the agreed and acceptable standards of identification.

10. CAPITALIZATION THRESHOLD

Capital assets shall include all non-current assets that are used in operations and that have initial lives extending beyond a single reporting period. An asset which has a value of Tshs. 100,000 is classified as a capital asset and hence reported. If an asset has a cost of less than Tshs. 100,000 and may be acquired in a bulk, then management judgement shall prevail for capitalization.

11. RECOGNITION OF AN ASSET

Asset shall be recognized or recorded at cost or at revalued amount in the asset register. For asset to be recognized shall meet the following criteria; -

- a. The asset has future economic benefits or service potential for public entity
- b. The public entity has capacity to control the service potential of the asset; and
- c. A past event giving the public entity control over the service has occurred.

In the case of non-procured assets, they shall be valued and recorded during acquisition (initial recognition). The subsequent measurement of assets shall also be applied to determine values to be recorded, whichever would be deemed fit.

12. FORMAT OF ASSET REGISTER

The asset register shall be maintained within the centralized system established by the Paymaster General and shall comply with the requirements of International Standards and Generally Accepted Accounting Practices. The established assets register shall have information depending on the nature of an asset. Hence, each asset class or similar classes shall have own register and format. Different formats of assets register are shown in Annex 1.

12.1. Maintenance of Asset Register

- i. Accounting Officer shall add on new information to the format of a particular assets register in the effort to strengthen internal controls and facilitate decision making;
- ii. An asset shall remain in the asset register as long as it physically exists unless stated otherwise. The fact that an asset has been fully depreciated shall not in itself be a reason for removing the same from the assets register until it is disposed-off;
- iii. An asset will be subjected to annual review to determine its remaining economic life. For the case where an asset has been fully depreciated and still being used by the Public entity, the Accounting Officer shall advice the Paymaster General on the revised useful life to the respective asset.

13. VALUATION OF ASSETS

Valuation of asset shall be done by Registered Valuer based on the existing Valuation and Valuers Registration Act and the International Valuation Standards. Valuer shall establish Market Value of an asset based on value determining factors (i.e. physical condition, replacement cost, location etc.). Valuation of asset will be conducted where the value of an asset is not known or its value is depreciated to scrap/residue value.

Major Repair or Overhaul of an Asset

For the case of major repair or overhaul of an asset, revaluation shall be conducted to ascertain a new value and economic life of a particular asset.

14. MAINTENANCE OF ASSETS

Every Accounting Officer shall be responsible for ensuring that maintenance plan of an asset is prepared and adhered to. The objective of the maintenance plan is to ensure that assets remain useful for the intended purpose, service delivery and economically utilized to maximize benefit to the organization.

Depending on the nature of assets, every Head of Division shall ensure that a maintenance plan of assets is availed to the Accounting Officer annually. Every Head of Division shall report in writing to the Accounting Officer, implementation of maintenance plan quarterly. In addition, every Head of Division shall keep all maintenance records of an asset.

15. MANAGEMENT OF HERITAGE ASSETS

Accounting Officer shall manage heritage assets in accordance with the relevant legislations and regulations. In the absence of legislation and/or regulation, then international standards shall be applied.

16. REPLACEMENT OF ASSETS

The Accounting Officer shall quantify and specify assets to be replaced on annual basis in accordance with the aging analysis conducted on non-current assets so as to remove assets which have become uneconomic to maintain. The Accounting Officer shall appoint a Board of Survey to inspect and prepare a report which will be used for developing a replacement plan. User Departments shall be responsible to prepare replacement plans and submit to Procurement Management Unit of the respective entity to be included in the procurement plan. The replacement plan shall include the following; asset ID, asset class, asset description, acquisition date, carrying amount, condition, location and reasons for replacement.

17. INVENTORY MANAGEMENT

17.1. Acquisition of Inventories

Acquisition of inventories shall be in accordance with existing legislation and regulations depending on the nature of inventories. The acquisition of inventories through imprest are to be discouraged.

17.2. Accounting and Storage of Inventories

All inventories shall be recorded before being utilized or kept into the storage facility. In case of donated inventories, values shall be determined based on current market price. In addition, every six month the Accounting Officer shall conduct physical inspection and evaluate the procedures for receipt, storage, issues and accounting of inventories.

17.3. Aging Analysis for the Inventories

Accounting Officer shall conduct aging analysis of inventories in order to reduce losses due to expiry and obsolescence. Aging analysis shall be conducted at least once for the period of twelve month.

17.4. Perpetual Stocktaking

Accounting Officer shall rank the stores after conducting the ABC Analysis and inspect them on a surprise basis. The records of the perpetual inspections shall be kept in the Register of Surprise Inspections. Officer appointed to carry out such inspection shall not be amongst the officers working in the same warehouse or godown.

17.5. Annual Stocktaking

Each Accounting Officer shall ensure that inventories are verified annually by Board of Survey in presence of an officer from GAMD. The Accounting Officer shall appoint Board of Survey to be held after the closure of business on the last working day of each financial year or before the start of business on the new financial year to survey the following: any case of error, loss, shortage, leakage, damage, waste,

deterioration or irregularity observed in the course of inspection. The Annual Stocktaking Statement shall be certified by an officer from GAMD.

18. VERIFICATION OF ASSETS

Verification of assets shall be undertaken by an officer from GAMD in every financial year or whenever there is a need or instructed. Verification of assets is conducted to attest compliance to laws, regulations and guidelines in managing assets throughout its entire life cycle by observing the physical existence, ownership/possession, condition, location, value, quantities, maintenance, utilization, transfer and disposal. Verification by Accounting Officer shall be conducted after every three month as a measure to strengthen the internal controls. Based on verification findings, Accounting Officer shall reconcile and update the Assets register.

19. DISPOSAL

Procedures for asset disposal shall be in accordance with PFA, PPA and any other legislations and guidelines. Methods of disposal shall be by Tender, Auction or any other method stipulated in a particular legislation approved by PMG. The actual disposal process shall depend on the nature of the assets. For the case of assets held in Tanzania Embassies and High Commissions, the choice of disposal method shall be in accordance with the legislations, regulations and procedures of the respective countries after approval is obtained from the PMG.

The disposal of hazardous assets shall be conducted in accordance with legislations and regulations that governing environmental conservation. After disposal is completed, Accounting Officer shall update the assets register accordingly.

20. TRANSFER OF ASSETS

Any transfer of asset shall be held after obtaining an approval from relevant authorities. Transfer between entities shall be authorized by PMG whereas transfer within entity shall be approved by Accounting Officer. Each transfer shall be duly filled on a Transfer Form (See Annex 2).

21. DEPRECIATION OF ASSETS

The Government has adopted straight line method for depreciation of public assets which is allocated systematically over the period of its economic life. In accordance with the Generally Acceptable Valuation Principles (GAVPs), depreciation for valuation purposes shall be the adjustment made to the replacement cost to reflect physical deterioration, functional and economic obsolescence.

Economic Life (EL)

Assets ran an Economic Life (EL) peculiar depending on make, constant handling and operational use (See Annex 3). Some assets are continued in use beyond the EL due to periodical maintenance and repairs. In such circumstances, Accounting Officer shall consult relevant authorities before determining Remaining Economic Life (REL) of an asset.

22. IMPAIRMENT

The asset shall be regarded as being impaired when Carrying amount of an asset is greater than its Recoverable Value. In other words, a particular asset is no longer capable of providing the entity with the intended service potential. The Accounting Officer shall conduct test for impairment on annual basis. The testing for impairment is usually calculated.

Impairment of an asset shall be conducted when an asset has at least one of the following indicators; -

Internal Indicators	External Indicators
Malfunctioning of an asset	Change in Demand
Obsolescence and/or Physical damage of an asset	Change in Technology
Idleness of an asset	Change in Policy, Legal and/or Regulatory frameworks

23. SAFETY AND SECURITY OF ASSETS

Accounting Officer shall conduct Asset risk analysis and document the identified risks in the PEs risk register. Internal controls measures should be instituted to safeguard assets against waste, operational loss, misuse, damage or mismanagement and protection from fraud, theft, unauthorized use, destruction etc.

24. INSURANCE

With respect to type, nature, value and risks involved, government assets may be insured through reputable insurance company. The applicable government insurance policy shall be applied. Accounting Officers shall budget for fund to cater for insurance premium in the event of accidents and related liabilities. GAMD may issue instructions on safe use and upkeep of the Assets.

25. ACCIDENTS FOR PUBLIC ASSETS

The Accounting Officer shall inform the Paymaster General on issues relating to accidents involving public assets within twenty-one working day from the day of occurrence. The information shall include the following; Accident Report – TFN 80, Preliminary Police Report - PF 90, Vehicle Inspection Report – PF 93, Statement of Costs of Repairing the Vehicle. In addition, the

Court Judgement, Final Police Report – PF 115 and Statement of Disciplinary Action taken to the Public Officer caused the accident shall be included.

26. WRITE-OFF OF ASSET LOSSES

Write-off of asset losses shall involve removal of an asset from the accounting records of a public entity. The causes of asset losses include theft, fraud, accidents, natural calamities, damages which failed to be recovered. The Accounting Officer shall prepare and submit to PMG a Statement of Loss (Loss Report Form) within twenty-one working day after a loss has occurred for scrutinizing before seeking approval for the writing-off of such loss in accordance with Public Finance Regulations.

The loss report shall be attached with relevant report according to the cause of loss as detailed below; -

Cause of Loss	Document to be Submitted
Expired Drugs	Schedule of Unserviceable Store (S.F 15)
Discrepancy	Schedule of Discrepancy (S.F 14)
Theft, Fraud	Police Final Report and Court Judgement
Fire and natural calamities	Investigation Committee Report

27. MANAGEMENT OF STRONGROOMS, SAFES AND CASHBOXES

Strongrooms, safes and cashboxes shall be provided for the safe custody of public money and valuables in all Government premises in which such money and valuables are received and retained either temporarily or permanently. Strongrooms and, where appropriate, safe shall be fitted with two different locks, the keys or combinations of which should be held by different officers.

The necessity for a strongroom, safe or cashbox shall be determined by GAMD and it shall be the responsibility of Accounting Officers to report to the GAMD if they are not satisfied that adequate facilities are available in any of their premises for the proper safe custody of public money and valuables. GAMD will be responsible for keeping the spare and duplicate keys or a written record of the combination of strongrooms, safes and cashboxes other than those used for storage of classified material must be placed in an envelope which must be endorsed “Duplicate key/combination of strongroom, safe, cashbox No....”

Accounting Officer shall ensure that any repair and maintenance of a strongroom, safe or cashbox is carried out by technicians from GAMD. In case of acquisition of the same, Accounting Officer shall present the requirement to GAMD.

28. UPDATING THE GUIDELINE

The Government Asset Management Division may review provisions of this Guideline when need arises and shall notify Accounting Officers through Government gazette to submit suggested changes to this Guideline in a prescribed format.

There will be a Special Committee to evaluate the suggested changes to be included in the Guideline before submission to the Paymaster General for approval.

29. EFFECTIVE DATE

This Public Assets Management Guideline 2019 shall be effective from the date signed by the Paymaster General.

ANNEXES

ANNEX 1 - ASSET REGISTER FORMATS

Form No. 1

FIXED ASSET REGISTER														
VOTE - MINISTRY OF														
FURNITURE / EQUIPMENT														
S/N	ASSET ID	ASSET DESCRIPTION	ASSET CLASS	UNIT/DEPT/BRANCH	REGION	DISTRICT	BUILDING	FLOOR	ROOM	DATE OF ACQUISITION / VALUATION	ACQ. COST / DEPR. REP. COST (TSHS)	CONDITION	REL (YRS)	REMARKS

FIXED ASSET REGISTER

VOTE - MINISTRY OF

MOTOR VEHICLE/MOTOR CYCLE/ PLANTS/ MACHINERY

S/N	REG. NUMBER	MAKE/DESCRIPTION	MODEL	BODY TYPE	ASSET CLASS	CAPACITY/CC	ENGINE NUMBER	CHASIS No. / SERIAL No.	YEAR OF MANUFACTURE	UNIT/DEPT/ BRANCH	REGION	DISTRICT	LOCATION	DATE OF ACQUISITION /VALUATION	ACQ. COST / DEPR. REP. COST (TSHS)	CONDITION	REL (YRS)	REMARKS

<p style="text-align: center;">FIXED ASSET REGISTER VOTE - MINISTRY OF</p>													
<p style="text-align: center;">LAND</p>													
S/N	PLOT DESCRIPTION (PLOT & BLOCK NO.)	TITLE DEED NO.	SIZE (SQUARE METRE)	USAGE	SURVEYED STATUS	RIGHT OF OCCUPANCY (YRS)	END RIGHT OF OCCUPANCY (YRS)	UNIT/DEPT/BRANCH	REGION	DISTRICT	DATE OF ACQUISITION /VALUATION	ACQ. COST / DEPR. REP. COST (TSHS)	REMARKS

<p style="text-align: center;">FIXED ASSET REGISTER VOTE - MINISTRY OF</p>													
<p style="text-align: center;">BUILDINGS</p>													
S/N	BUILDING ID	BUILDING DESCRIPTION	NUMBER OF STOREY	USAGE	PLOT NO.	UNIT/DEPT/BRANCH	REGION	DISTRICT	DATE OF ACQUISITION /VALUATION	ACQ. COST / DEPR. REP. COST (TSHS)	CONDITION	REL (YRS)	REMARKS

<p style="text-align: center;">FIXED ASSET REGISTER VOTE - MINISTRY OF</p>														
<p style="text-align: center;">ROADS</p>														
S/N	ROAD ID	DESCRIPTION	TYPE	REGION	DISTRICT	LENGTH	FROM	TO	UNIT/DEPT/BRANCH	DATE OF ACQUISITION /VALUATION	ACQ. COST / DEPR. REP. COST (TSHS)	CONDITION	REL (YRS)	REMARKS

FIXED ASSET REGISTER
VOTE - MINISTRY OF

BIOLOGICAL ASSETS

S/N	IDENTIFICATION No.	DESCRIPTION	SEX	AGE	QUANTITY	UNIT/DEPT/BRANCH	REGION	DISTRICT	DATE OF ACQUISITION / VALUATION	ACQ. COST / DEPR. REP. COST (TSHS)	CONDITION	REL (YRS)	REMARKS

ANNEX 2: - ASSETS TRANSFER FORM

Form No. 7

**THE UNITED REPUBLIC OF TANZANIA
ASSET TRANSFER FORM**

CURRENT OWNER:

Vote: Vote Description:

Reason for Transfer.....

NEW OWNER:

Vote: Vote Description:

GENERAL INFORMATION:

S/N	Asset ID	Asset Description	Current Department	Current District	New Department	New District	Date of Transfer	Cost of Asset
TOTAL VALUE								

Name of Issuing Officer:

Position:

Signature: Date:

VERIFICATION

Name of Verifying Officer:

Position:

Signature: Date:

Name of Receiving Officer:

Position:

Signature: Date:

AUTHORIZATION

Name of Authorizing Officer:

Position:

Signature: Date:

ANNEX 3: ECONOMIC LIFE (EL)

The asset economic life is projected in ranges as follows; -

Asset Category	Economic Life (yrs)
Administration assets	
Leasehold land	Over the lease term
Buildings	
Residential	50
School	75
Hospital	60
Office	50
Dwelling	50
Plant and Machinery	15
Furniture and Fixture	5
Office Equipment	5
Motor Vehicles	
Heavy duty (5 tons and above)	10
Light duty (below 5 tons)	5
Motor Cycle	7
Computer (Desk tops and Laptops)	4
Video Conference Equipment	4
Servers	7
Network/Telecom Equipment	7
Equipment Racks	10
Other equipment (with purchase value > or = \$ 50,000)	10
Automated File Storage Equipment	7
Equipment for production, storage and viewing of microforms	7
Document processing equipment (Photocopies, mail handling equipment, check handling equipment and shredders)	7
Television studio, cameras and other photographic equipment	7
Uninterruptible power supplies (UPS)	7
Infrastructural assets	
Leasehold land	Over the Lease Term

Asset Category	Economic Life (yrs)
Roads	
Gravel roads	4
Tarmac Roads- Asphalt	10
Tarmac Roads – Surface Dressing	7
Earth Roads (initial cost) and culverts/Drifts	Entity judgment depending on the type of the Earth
Aircraft runways	20
Bridges	
Wooden Bridges	2
Concrete Bridges	100
Steel Bridges	50
Concrete Culverts	50
Steel Culverts	20
Drifts – vented (with steel pipes)	20
Drifts – Concrete (solid)	50
Buildings	
Residential	50
School	75
Hospital	60
Office	50
Dwelling	50
Shallow Wells	15
Boreholes	15
Sewerage Systems	15
Water Systems	15
Drainage Systems	15
Agriculture and Livestock Extension Systems	25
Plant and Machinery (e.g. Caterpillar, Excavator, Heavy Generators, etc.)	15
Furniture, Fixture and Equipment	10

Asset Category	Economic Life (yrs)
Motor Vehicles	
Heavy duty (5 tons and above)	10
Light duty (below 5 tons)	5
Motor Cycle	7
Computer Hardware	5
Ships	50
Ferries and Boats	25
Tractor	10
Aircraft (G550)	40,000 flight hours
Aircraft (Fokker 28)	90,000 flight hours
Aircraft (Fokker 30)	90,000 flight hours
Piper Navajo PA 31	11,000 flight hours
Bombardier CRJ 200	12,000 flight hours
Bombardier Global 6000	12,000 flight hours
Drill Rings	10
Compressors (used for drilling Dams)	10
Excavator (used for Drilling Dams)	10
Bull Dowser	10
Sheep Foot Roller	10
Boreholes (0 - 200 meters)- Hand Pumped Well	30
Shallow wells (0-100 meters) Hand Pumped Well	40
Large Dam Earth fill (15-20 meters > 1,000,000 cubic meters)	25
Medium Dam Earth fill (5 - 15 meters - 250,000-1,000,000 cubic meters)	20
Small Dam (Chaco) Earth fill > 5 meters 25,000-250,000 cubic meters	20
Sub surface Dam Concrete or masonry 3-10 meters 45,000 – 150,000 cubic meters	40
Locomotives	25
Rolling Stock	35
Telecom & Signaling	25
Permanent way (for locomotives)	40
Bridges & Culverts (for locomotives)	60

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