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# **Midlands State University**



**FACULTY OF COMMERCE**

**DEPARTMENT OF ACCOUNTING**

**RESEARCH TOPIC**

**AN INVESTIGATION INTO THE MANAGEMENT OF ASSETS: THE CASE OF MINISTRY  
OF MEDIA, INFORMATION AND PUBLICITY**

**BY**

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**R12467Q**

*This dissertation is submitted in partial fulfillment of the requirements of **Bachelor of Commerce (Honours) Degree in Accounting** in the Department of Accounting at Midlands State University*

**SEPTEMBER 2014**

**RELEASE FORM**

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**DISSERTATION TITLE:** AN INVESTIGATION INTO THE ASSET  
MANAGEMENT: THE CASE OF MINISTRY OF MEDIA  
INFORMATION AND PUBLICITY

**DEGREE TITLE :** Bachelor of Commerce Accounting Honours Degree

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#### APPROVAL FORM

The undersigned confirm that they have supervised the student, Erinera Samakonde on the dissertation entitled **“AN INVESTIGATION INTO THE MANAGEMENT OF ASSETS: THE CASE OF MINISTRY OF MEDIA, INFORMATION AND PUBLICITY”** that is submitted in partial fulfilment of the Bachelor of Commerce (Honours) Degree in Accounting.

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## **DEDICATION**

This Research Project is dedicated to my husband Tazviona Manomano and my daughters Zvikomborero, Rumbidzai, Precious and Nyashadzashe, my sisters Nyaradzo and Varaidzo and special mention to my nephew Ronald Mushevererwa and his wife Sandra for their understanding and support they offered me throughout the project. I love you all.

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*“Many ideas grow better when transplanted into another mind than in the one where they sprung up”* Oliver Wendell Holmes

## ABSTRACT

Asset management is an area that is increasingly neglected by most central governments, the research investigates into the management of assets. The research was aimed at investigating the causes of poor asset management and to find ways of improving the management of assets. The quantitative descriptive case study was used as a methodology of research. The Ministry of Media, Information and Publicity was the targeted participant in this study. The collection of primary data was done through thirty-five questionnaires and five interviews. The population of the study included the Deputy Directors, Accountants, Administration Officers, and Auditors in the ministry. The sample was made up of forty participants conveniently selected and judgemental sampling method was used. The results of the study indicated that there is poor asset management due to the absence of Asset management framework, updated Asset Register, effective information system for Asset management and lack of competent skills. It is recommended that best practise of asset management framework, policies and procedural document be developed. A further study is proposed to research the methodology on the capitalisation of assets and to determine the effectiveness of using Cash and accrual accounting for Asset Management.

**Key Words:** Asset Management, Asset life cycle, Asset Register, Public Finance Management Act (PFM Act) Regulation

## **LIST OF ACRONYMS**

**AM** - Asset management

**ALC** - Asset life cycle

**AR** - Asset register

**PFM** - Public Finance Management Act

**MOFED** - Ministry of Finance and Economic Development

**MOMIP** - Ministry of Media, Information and Publicity

**TI** - Treasury Instruction

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 INTRODUCTION**

This chapter introduces the problems being faced by the government ministries in managing government assets. The chapter outlines the background to the study, statement of the problem, the objectives of the study, research questions, significant of the study and limitations of the study, definitions, abbreviations and the summary of the study.

#### **1.1 BACKGROUND TO THE STUDY**

Governments all over the world experience problems in managing their non-current assets. Canada had to introduce an Asset Management Governance Framework to determine common operating ethics, in order to achieve common objectives of sustainable performance and enhancing of the services offered to the public at a reasonable cost. (An Asset Management Governance Framework for Canada, 2009).

On the same understanding the South Africa government embarked on programmes of developing an asset management framework, according to the Rode Report (2005), the investment in the asset management contributed approximately 16% in the past few years to gross domestic product and has therefore played a vital role in economic growth. As a result the asset management framework in South Africa ensured that such assets were optimally utilized for service delivery.

In 2010 Government of Zimbabwe introduced Public Finance Management Act [Chapter 22:19] which gives Treasury the authority to manage and control public resources and exercise general



direction and control over public resource. Pursuant to that mandate, Treasury may issue instructions or directions in terms of section 78 on the acquisition, receipt, custody, control, issue, sale, delivery, transfer or disposal of any State property. The lack of effective management of government asset and asset management policies to match service delivery is an ultimate challenge. Public Financial Management Act currently does not have regulations for the accountability of government assets. This is substantiated by the National Budget (2013:220) in which Biti highlighted that the draft of Public Finance Management Regulations to fully operationalize the PFMA was being developed in consultation with stakeholders and the support of External PFM experts.

In addition to the above challenge there seems no information integration in the Public Financial Management System as stated by the PFMS newsletter (2013:20), emphasised that the PFMS asset management function is the primary source of accountability during the life cycle of assets. In some instances there is outdated information on assets for example the disposed asset still appear in the asset list. More often the asset registers prepared by the departments includes assets which are obsolete, damaged, redundant and unserviceable.

The biggest challenge is the lack of leadership and consistence advocacy of senior management participation and lack of training in various departments (Mavasa, 2007). Asset management framework is a low priority within the context of other challenges hence assets are not maintained at their optimal value as in most cases they are exposed to abuse, misappropriated and not safe guarded.

Comptroller and Auditor General observed that computer equipment belonging to the Ministry of Media, Information and Publicity went missing in 2009 and were not accounted for and some were being used by an employee in the Ministry of Youth and Economic Empowerment under

unclear circumstances. Twenty three (23) motor vehicles were involved in accidents and Board of Inquiries were not done for the year 2009. The outstanding 2009 Board of Inquiries were still outstanding in 2010 (Comptroller and Auditor General 2009, 2010 and 2011)

**Table 1.1** Asset audit observation for the Ministry of Media, Information and Publicity.

<b>Year</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Asset observation	9	2	3
Audit observation	3	4	1
<b>Total audit observation</b>	<b>12</b>	<b>6</b>	<b>4</b>
<b>% of asset observation to total observation</b>	<b>75</b>	<b>33</b>	<b>75</b>
<b>% Average</b>	<b>61</b>	<b>61</b>	<b>61</b>

**Source : Report of Comptroller and Auditor General (2009,2010 and 2011)**

On a yearly average as shown in the table 1.1 percentage of asset observation to audit observation is 61% which illustrate gross mismanagement of assets.

## **1.2 STATEMENT OF THE PROBLEM**

The study investigates the origins of poor management of assets being experienced by ministries. In his National budget (2011:174) Biti stated that most government complexes and other work station hold numerous idle but valuable assets dumped for various reasons. These assets include furniture and fixtures, vehicles, electronic and other office equipment, stationery among others and are left to gradually deteriorate in value. It is against these sentiments that the researcher seeks to investigate the causes of poor asset management.

## **1.3 MAIN RESEARCH QUESTIONS**

What are the causes of poor management of government assets?

## **1.4 SUB OBJECTIVES**

- To establish the current asset framework being used by Ministry of Media, Information and Publicity.
- To discuss the benefits of asset management in service delivery.
- To identify key elements of asset management.
- To identify methods that can be used to manage obsolete assets.
- To recommend a suitable framework for the management of assets in the Ministry of Media, Information and Publicity.

## **1.5 RESEARCH QUESTIONS**

- What is the current asset framework being used by the Ministry of Media, Information and Publicity?

- What are the benefits of Asset Management in service delivery?
- What are the key elements of asset management?
- What methods can be used to manage obsolete asset?
- How can Asset management be improved in the Ministry of Media, Information and Publicity?

## **1.6 ASSUMPTIONS**

- The current asset policies prevail over the research period.
- Respondents taking part in research will give unbiased information.
- There will be cooperation from the interviewees.

## **1.7 LIMITATION OF THE STUDY**

### **Confidentiality of information**

Information on the government departments is confidential and the researcher is guaranteed confidentiality and sought authority from management to access confidential information. The information would be used for academic purposes only.

### **Time Constraint**

The researcher is a student on block release as well is committed to work, there is therefore time constraint .To overcome this the researcher took advantage of the fact that the research was carried out on an area in which she is employed and entity which she is stationed. Also methods

have been combined that is questionnaire, interviews and document review to provide richer, more subtle insights.

### **Financial Constraint**

Financial resources are a constraint specifically stationery, printing and travelling expense to the university to get feedback. The researcher would overcome this problem by making personal sacrifices.

## **1.8 DELIMITATION OF THE RESEARCH**

The study will target all Accounts, Finance and Administration departments of Ministry of Media, Information and Publicity. A sample of Thirty (30) officers will be considered because of time and resources. The study is limited to focus on Ministry Head Offices only. The research will pay attention on the asset management for the period of 2009 to 2013.

## **1.9 PURPOSE OF STUDY**

### **To the Researcher**

The research is in the partial fulfilment of a Bachelor of Commerce Honours Degree in Accounting. In addition, the researcher will develop some important skills in research and gaining an in-depth understanding of asset management framework.

### **To the University**

The study will be helpful to the training; teaching and literature of asset management .Also the research will provide literature on research by other students of various universities and research institutions.

## **To the Treasury**

The study will help the Government through Treasury or MOFED to come up with an effective asset management framework.

### **1.10 DEFINITION OF TERMS AND ACRONOMY**

**Asset** – according to conceptual framework an asset is a resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity.

**Asset life cycle**- is the process of acquiring, maintaining and disposal of assets.

**Asset management** - is the maintaining of a desired level of service wanted from assets to provide at the lowest life cycle cost.

**Asset register**- is the book of recording asset information.

**Obsolete asset**-is an asset that is no longer adequate to perform the required function due to technical advances or change in entities requirements.

**AM** -Asset management

**ALC** -Asset life cycle

**AR** -Asset register

**PFM** -Public Finance Management Act

**MOFED** -Ministry of Finance and Economic Development

**MOMIP** -Ministry of Media, Information and Publicity

**TI** -Treasury Instruction

## **1.11 CHAPTER SUMMARY**

This chapter covered the introduction, the background of the study, main research question, sub-objectives, sub-research questions and assumptions have been highlighted. Also the major terms have been defined, delimitation of the study denoted and limitations have been pointed out. Chapter Two will be on literature review.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter will present theoretical and empirical literature of what asset management is and is subdivided into various subtopics namely; definitions of asset management, current asset management framework being used, the benefits of asset management, key elements of asset management, methods that can be used to manage obsolete assets and asset management improvements. The objective of this chapter is to familiarize with information written by authoritative sources about asset management by reviewing relevant journals, past research studies and books.

#### 2.1 Asset Management

Section 6 of PFMA place reliance on Treasury to manage and control public resources thus public monies and state property. The Treasury by way of notice to officers concerned issues instructions or directions in relation to matters involving the acquisition, receipt, custody, issue, sale, delivery, transfer or disposal of any state property.

According to Sir Michael Lyons' Report (2004) AM has become acknowledged by the government in United Kingdom. This was evidenced in how the Treasury had shown interest in AM which had gained popular in their budget. This according to him had reinforced good principles of asset management throughout the public sector. He further mentioned that government is mandated to exercise good principles of asset management.



When an entity strives to maintain its expected level of service at a possible lowest life cycle cost of an asset it is referred to as asset management. The lowest life-cycle cost refers to the cost associated with the asset for rehabilitating, repairing or replacing it. The costs of doing so should be lower and at the same time maintaining the desired level of service. In order to achieve a maintainable asset portfolio, an asset management framework is being implemented. The Asset Management Framework seeks to minimize the total cost of owning and operating assets throughout its life cycle. The effectiveness of an asset management framework depends on the accuracy of asset inventory, operation and maintenance activities and proper planning. <http://www.epa.gov> (accessed 14 August 2014; 18:45)

Hardwick (2011) asserted that AM is an organized, coordinated activity and practice through which an organization effectively and efficiently manages its assets over their life cycle for the sole purpose of achieving organizational goals. The objective of providing the required level of service in the most cost-effective way has brought about the combination of both or all management, financial, economic, and other practices applied to physical assets.

National Treasury (2008) defined AM the same way as Hardwick, (2011) and labeled AM as an extensive program which involves several processes in decision-making, planning and control over the acquisition, use, safeguarding and disposal of assets to obtain optimum level of service delivery, maximum benefits, and to minimize their related threats and costs over the useful life of assets. According to National Treasury AM is the use of an asset portfolio to provide desired service level. <http://www.benefitof.net>. (accessed 14 August 2014; 18:22)

Different authors have different definitions of what an asset management is. In the private sector the goal is to maximize profit and minimize costs through asset management. However, it is not the same with non-profit organizations such as government. In pursuance of that, the researcher views

asset management as the practice of managing assets from procurement, recording, maintaining, safe guarding and disposal of assets through asset life cycle to enable the government to meet its service delivery objectives effectively and sufficiently.

## **2.2 Current asset management framework being used**

Currently government of Zimbabwe does not have PFM regulations which should cover issues of procurement, recording, valuation and disposal of assets; hence government departments are operating without asset management framework but governed by section 11 of PFMA which states the powers of treasury in relation to public resources together with the TI. These TI are still aligned to Audit and Exchequer Act which has since been repealed by the PFMA. The Public Finance Management regulations have been developed but await government approval. The lack of expertise, proper strategies, proper organisational structures and proper asset usage were cited by (Shardy, 2011) as the weakness in Zimbabwe government.

However in South Africa, they developed Public Finance Regulations which states the responsibility of the asset management and the disposal and letting of assets. The South Africa asset management framework is governed by the PFMA and PFMA regulations. The South Africa government went further in promulgating regulations for local government and councils in order to manage assets for service delivery to the communities. Nigerians lack proper procedures on asset management as they are not in the good practice of keeping proper records of the assets in their custody. Due to the lack of framework it is

difficult to follow up on the depreciations and damages that mandatorily occur to the assets.

(<http://www.ukessays.com>. (accessed 13 August 2014;1315 )

Malaysia government introduced total asset management policy guidelines and framework to manage assets. The need for the policy according to Abu, (2011) was to provide better service

delivery to the public. Malaysia wanted to obtain maximum benefits associated on the asset life cycle. In addition the need to manage and control risk in owning the assets necessitated the need for the policy. The policy gave clear directions as to ownership, controlling, accountability and the standards of reporting. Like in Zimbabwe; Croatia has no or practical accountability regarding public asset management. Croatia only attempted to centralize public asset records as well as to allow such assets to serve in development of a

Croatian Asset Fund. Despite the fact that there have been some attempts to record public assets, a complete and centralized registry of public assets on a state level still does not exist. The incompleteness of records of public assets was quoted by Grubisic, (2009) as a partly results from the inherited disorder due to inconsistent legislation from previous generations which has allowed rights to assets but has not imposed the obligations related to the disposal of specific assets on the various beneficiaries.

Australia is better than Croatia, John and White, (2008) revealed that the asset regulatory framework in Australia was developed on the basis of asset regulation and accounting. They use of accrual accounting in reporting assets. They described the Australian asset framework as a business oriented but the departments lack strategic approach in asset management in support of Shardy, (2011). Further to that Australia AM was equated with Croatia in that it lacks a central register of assets which is very crucial in asset management. The practise in New Zealand, was claimed to be different with Australia in that the AM in New Zealand is self-sufficient as it allows innovation and advancement and very simple to implement. Which explained why their assets portfolio is strong as they invent or modernise the assets. New Zealand also publish manuals and guidelines for best practice of AM using accrual accounting by all government

Departments through the National Asset Management Group established specifically for the asset management. Manuals and guidelines on asset management should be very simple to be understood and implemented by the users.

Having the above scenarios it is upon each and every government to adopt the best asset management principles that suit what the government need to achieve with their assets portfolio. Clear policy and guidelines on asset management contributes to effectiveness and best principles of asset management.

### **2.3 The benefits of asset management**

The key objective of asset management in public sector is to enable the government to meet its service delivery objectives effectively. When available asset portfolio meet the demand of service delivery the basis of foundation for economic growth is formulated. Department of Treasury and Finance of Victoria (2012) enlightened the benefit from asset management by applying asset management principles and focusing on outputs and outcomes in ensuring that assets are appropriately used and maintained. Further to that AM contributes to economic growth through meeting service delivery demands by providing the right assets in the right location in the right quantity such that resources won't be wasted. AM also improves accountability and stewardship through improved understanding communication of service requirements of assets in addition to the improvement of service delivery (Jones and White, 2008) ascertained that, service management, risk management and financial are effectively managed effectively and efficiently. Furthermore AM enables the ability to compare the performance of the assets against similar organization, hence comparability is made possible. Environment Protection Agency (2008) had a different view on the benefits of AM in that asset life is prolonged and aiding in rehabilitating,

repair, replacement and decision making through efficient and focused operations and maintenance of assets. In addition asset management improves the security and the safeguarding of assets in curtailing the carelessness of personnel, abuse of assets and fraud in movable assets such as computer equipment which have a high risk to theft. AM in government will ensure that assets accomplish goals (Goldsmith, 2013) instead of just realising the lowest recurring cost but also by providing the capacity to realize the value of assets without foregoing public needs such as providing subsidized service to the population.

## **2.4 Key Elements of Asset Management**

Grubisic et al (2009) explained that public asset management policies differ due to cultural and historical heritage. The size of the public asset portfolio, the organization of general Government, the level of democratization, the perceptions of the public management role and public sector accounting practices. Despite these differences, there are some common elements that are considered essential for conducting public asset management activities effectively and efficiently. These include public asset registry, public asset classification, public asset recognition and measurement, public asset portfolio construction, institutionalization and professionalism in public asset management, and cost and outcomes measurement.

Environmental Protection Agency (EPA) (2012), asset management elements are centered on a framework of five core questions, which provide the foundation for asset management best practices. EPA differed with Grubisic in that instead of concentrating on asset inventory. The elements are molded in questions that encompassed most of the aspects to be considered in asset management. Thus the best practice questions are, what is the current state of organization assets? What is the required "sustainable" level of service? Which assets are critical to sustain the

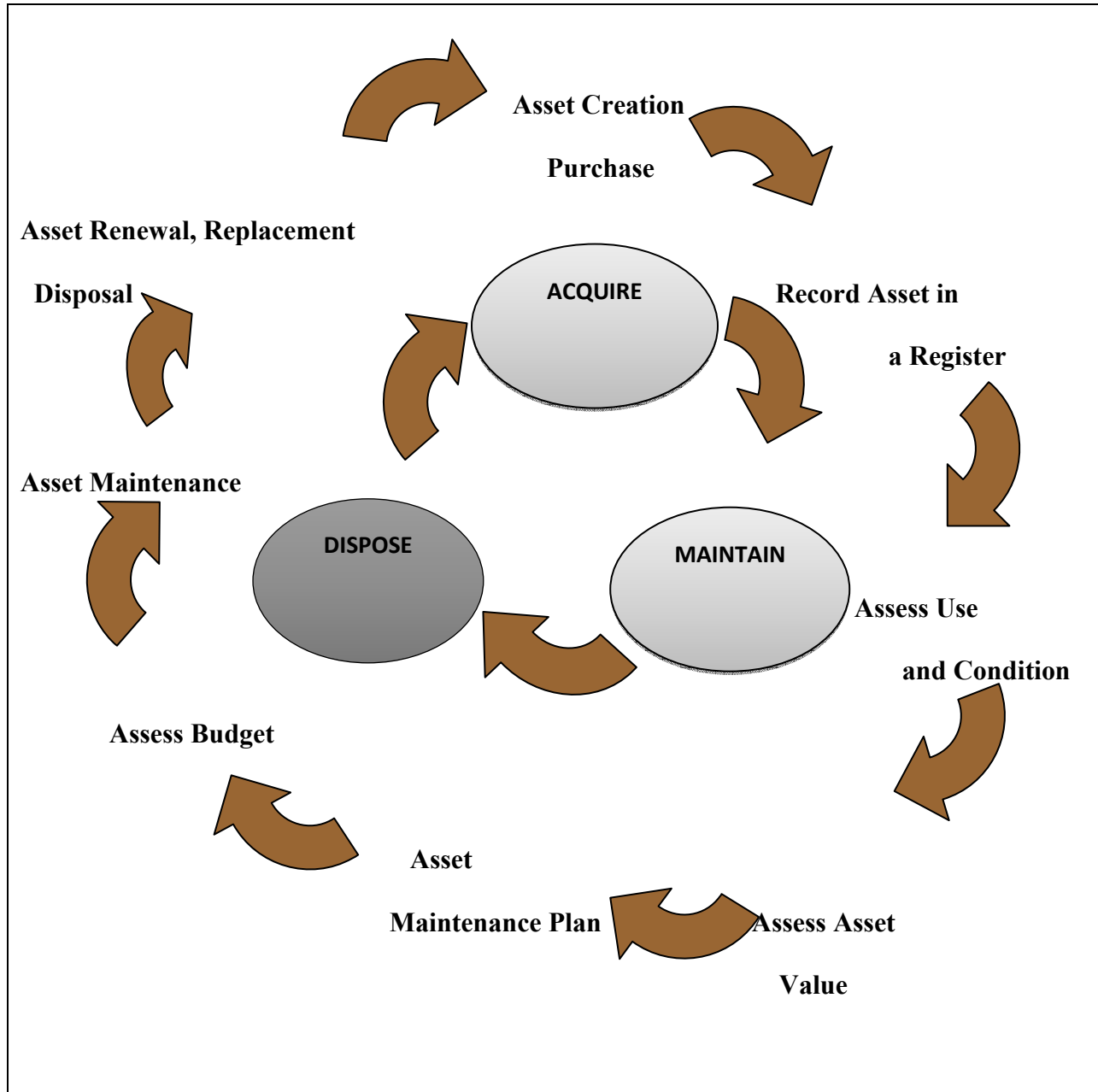
performance? What are the minimum life-cycle costs? What is the best long-term funding strategy? This according to EPA are the elements of effective asset management. In support Queensland local government bill (2008) further explained by providing the best practice in asset management to the questions. The bill highlighted the importance for organization to determine the current state of the entity assets in order to identify the gap. The entity needs to ascertain what assets they own to assess the condition of the assets; their value and the useful life can be determined by preparing an asset inventory. The target service delivery can be easily matched with the performance of the available assets. Where there is the gap or surplus in terms of assets, plans are put in place for replacement or disposals.

National Treasury (2004) describes the three key components relating to AM as, Asset life cycle management, Asset register and Performance management system. The elements which are considered the most important elements of asset management are regarded as simple and very straight forward to understand and are explained below.

#### **2.4.1 Asset Life Cycle Management**

The ALC is a key AM tool that takes into account the whole life cycle of an asset management. It serves as a management control tool to guide the planning, acquisition, operational and maintenance and disposal. The Australian South Africa Local Government Partnership (2002) postulated the right steps that assets need to be controlled and managed through their life cycle and procedures for better service delivery. Accordingly eight steps that needs to be followed on the cycle process of AM were developed and must be addressed by the Framework as presented in figure 2.1 below

**Figure 2.1** Asset life cycle



**Source: Australian South African Local Government Partnership (2002:13)**

The AM life cycle approach is recommended to achieve “best appropriate practice AM”. This means that management has to consider all the options and strategies as part of the asset life cycle, from planning to disposal of an asset. The objective of managing the assets in this manner

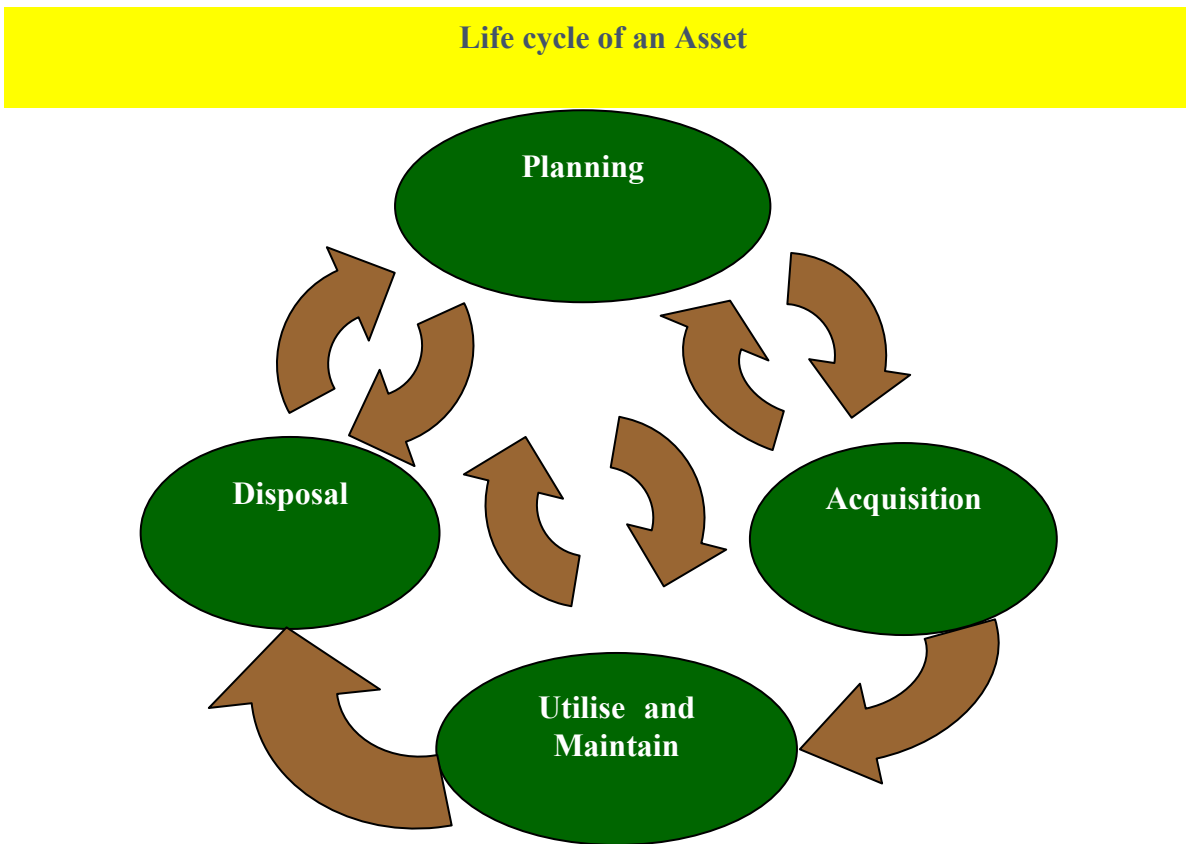
is to look at long-term cost impacts (or savings) when making AM decisions. The literature indicates that an asset proceeds through a number of sequential phases during its life cycle.

Victor, (2002) emphasized the same principles of ALC process but shortened the cycle by excluding the various ancillary activities that are involved in ALC which are very crucial for the understating of asset management. The major components of asset management was highlighted.

The researcher is of the view that, Victor's assertion on the principles of asset life cycle lacked the in-depth of what activities are really involved in each stage of ALC. The planning phase which was not included by the Australian South Africa Local Government Partnership was captured as the main component of ALC as illustrated in figure 2.2 below:



**Figure: 2.2 ASSET LIFE CYCLES**



**Source: Asset Formulation Government wide Asset Framework (2002:7)**

Basically the above two cycles conclude the same in the steps of the asset life cycle. Planning is an essential phase of asset life cycle before acquisition. Asset is utilized through maintenance and various activities as in fig.2.1 and then after the expiry of useful life of an asset for example after five years the asset is disposed depending with the government policy on asset management. The reasons for disposing assets is basically that it will be very expensive to maintain an obsolete asset in terms of repairing, storage and maintaining the asset.

### **2.4.2 Asset Register (AR)**

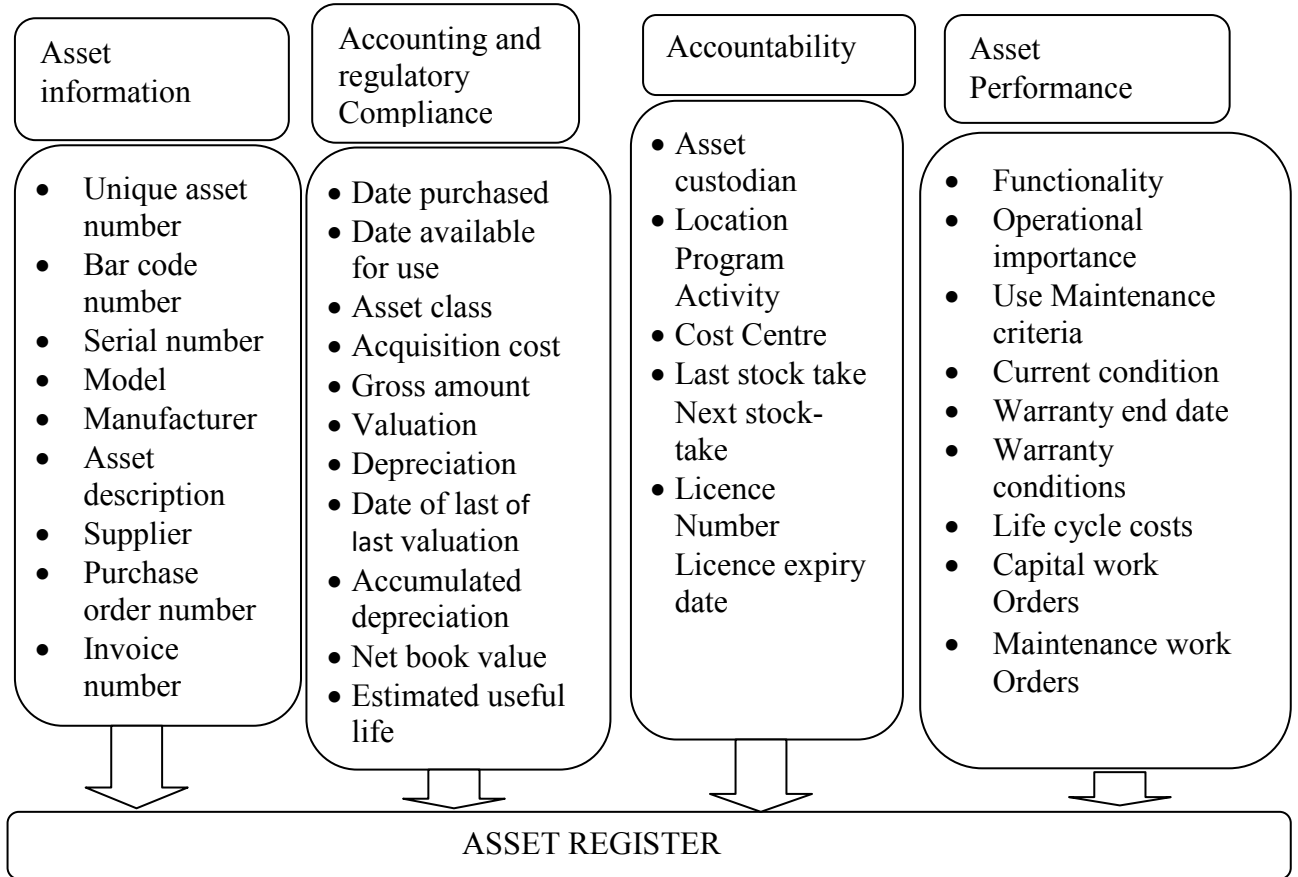
According to Australia Asset Management Framework (2011) an AR is a record of asset information. All the information about each assets owned by the entity AR. The AR helps to allocate the responsibility and accountability. The asset register clearly defines who owns the asset and provide the basis of controlling of assets .It also helps in determining and communicating accountability and reporting responsibilities throughout each step of synchronised approach to asset management.

According to Zimmermann, (2008) asserted that there should be an inventory of public assets in order to improve accountability, transparency and doubts in state assets and associated activities. The starting point according to him was an initial inventory. He recommended that asset register is a key tool to accountability and transparency. Further to that he explained that AR is an accounting method that can be used to keep track of the assets of the government. The register will confirm the value of assets, and all the information on date of acquisition and other details necessary to compute for depreciation purposes, (<http://www.investorwords.com>. (accessed 15 August 2014; 1312)

The asset register is a cornerstone of an asset management framework for entities, regardless of the size of asset portfolio. It keeps historical, financial and non-financial information of asset's life-cycle for the purposes of asset planning; monitoring performance; and accountability. A missing asset can be detected if the asset register is well kept and updated each time there is a new development such as damages, disposals, transfers and purchases. Items such as computer equipment are susceptible to theft. With asset register and clear communications of accountability such incident as theft can be deterred. [www.anao.gov.au](http://www.anao.gov.au) (accessed 17 August

2014; 1847). Below is a typical example of an asset register and the information that can be found in it.

**Figure 2.3: Asset register framework**



**Source:** [http:// www.anao.gov.au](http://www.anao.gov.au). (accessed 14 August 2014, 16:20)

Hatim (2013) supported Zimmermann, (2008) that asset register keeps track of the correct value of assets. This according to Hatim it helps in the computation of depreciation. It is a comprehensive register with detailed information that will help decision makers in making economic decisions. The above figure2.3 illustrates the information that is contained in the asset register. The information will help the management to make an informed decision in identifying the gap in assets to deliver the needed service or when to replace the assets.

### 2.4.3 Performance Management

In order to measure the performance of assets, the setting of performance measures, standards and indicators in respect of asset management planning is important for the management of assets. The continuous assessment of the performance of assets is very important in achieving strategic goals. National Treasury (2004) emphasized that implementation of a performance management system is an important aspect for monitoring and evaluating assets to identify whether the assets are contributing to realizing the objectives of the organisational goals. The department of Treasury and Finance in Australia (2012) stressed that the performance measurement helps to raise public sector and government awareness in the areas of responsibilities, opportunities and risks inherent in asset management. Continuous measurement and evaluation of asset performance assists the Government to compare the bench marks in achieving desired outcomes in the most effective manner. The basis of monitoring asset performance can be qualitative and quantitative measure. These basis of measuring performance evaluates different characteristics of asset management. Asset performance monitoring relies on the instantly accurately updated information on assets. Quantitative performance management compares the effectiveness of the assets to the preset conditions and the contribution made thereof to economic growth. Unlike quantitative method, the qualitative measure relates to transparency and accountability of all assets decisions throughout life cycle of the assets. (<http://www.dtf.vic.gov.au> (accessed 19 August 2014; 1238)

Hardwick (2007) had different view of the on the elements of asset management by citing only two key elements of AM which comprise of leadership and culture as one of the element. This means the leadership has to take the lead role in the organization. It is upon the management to

stress the importance of asset in the organisation. In other words the leaders should advocate for the accountability of assets by taking the lead in adhering to the best practice in asset management. The second element mentioned by Hardwick is the process or systems which was considered as the pillar of good asset management. The system focuses on defining customer needs and the activities of the asset cycle, documentation, maintenance and disposal of assets. In view of the above views from different authors, the researcher finds the view of Zimmermann (2008) as persuasive and various authors have included asset register as the vital element in asset management. The asset register can be seen as the tool for accountability and transparency in asset management

## **2.5 Methods used to manage obsolete assets**

The procedures followed when disposing an asset as per TI that the Accounting officers are responsible for all departmental assets held by their departments and shall issue instructions governing the method of accounting for and the procedure regarding the purchase, receipt, recording, custody and stocktaking of all such assets. In the case of redundant assets inquiries shall be made of other departments likely to be interested in them and those items which are not disposed of in this manner shall, together with unserviceable assets, be considered by a Board of Survey appointed by the accounting officer. The board shall consist of three members, two of whom at least shall be persons having no direct interest in the assets. The accounting officer, after taking into account the recommendations of the Board of Survey, shall issue instructions for the disposal of all redundant and unserviceable assets. A senior official shall be deputed to attend auction sales, TI does not allow any assets be sold by private treaty without the specific or general authority of the Treasury. The proceeds of sales of assets shall be credited to “sale of

Government property” or to the relative separate account in accordance with the source from which they were purchased.

Asset can be disposed through public auction Anon, (2009) where public is invited to offer in the auction. Anon cited the benefits of an auction as a straight forward method of disposing and the process is open to public scrutiny which enhances transparency and accountability as an important aspects. The disadvantages cited on this method was that the sale by public auction often produces very little proceeds and is therefore not the preferred method of disposal. At times it open to abuse by the organisers in any case assets end up being looted. Organizing an auction is very clumsy in terms of the procedures in government.

Timme (2009) agreed with Anon, that auction is not an ideal method of disposing as it can be open to abuse by the organisers. He further suggested tendering as a preferred method of disposal where more control over the actual disposal of the asset is required or where the credentials of the purchaser need to be assessed in detail. The method is simple and straight forward although the method is very expensive disposal procedure and should only be undertaken where there is a clear net return to the organisation and the method takes a lot of time to clear the assets. In addition he further suggested public offers which are normally conducted for items of high value or an unusual nature. Furthermore he mentioned that waste or dumping for assets with little or no commercial value that cannot be recycled should be disposed of in an environmentally responsible manner.

Osborn (2009) advocated for the private treaty sale. He illustrated that it is a direct negotiation between the buyer and the seller, outside a publicly competitive process. This method of disposal is only appropriate where the price is set and the buyer has to agree on the price in a monopoly

market. Such sale includes assets of fixed natures for example, a fixed item of plant or equipment. According to TI, the disposal of assets through private treaty, Treasury authority is sought first.

Perrin (2014) was in favor of asset replacement model .He highlighted that the asset replacement model principle is to compare gains from keeping the current asset for another time interval with the opportunity gains which could be realized from a replacement asset during the same period. He went further in citing an example of a machine that should be kept for another period, if the marginal costs of retaining it for another period is less than the average opportunity costs of replacement machine. The replacement may involve a component of asset being replaced or the whole asset being replaced.

Preventive maintenance is the other strategy used to manage obsolete assets, Jerry (2010). The strategy manages the assets by preventing the failure of different assets before it actually occurs. Assets are preserved and enhanced reliably by replacing worn components before they fail and this strategy prolongs the life of an asset before it fails. The number of obsolete assets which result from continued use is reduced because the assets would have been extended its life in advance.

Unlike (Jerry 2010), Roberts *et al* (2009) supports planned maintenance when he mentioned that, planned maintenance helps reduce the number of obsolete assets. The strategy consists of various check point activities on assets of when and how the assets should be maintained in the life cycle. In pursuant to the above the researcher is in support of the public auctioning of the disposal of assets as this promotes transparency and accountability the public is involved in their scrutiny of the process for the public resources.

### **2.5.1 Issues to be considered when selecting an obsolete asset management strategy**

Siddiqui (2010) postulated that an analysis of net return should be considered in determining the most cost-effective method of managing obsolete assets while considering sustainability impacts. Both economic and environmental costs influences the costs of disposal of assets. When it is beyond cost-effective, repairs or unserviceable to the requirements of the entity assets should be declared obsolete and eliminated in a manner that obtains best value. For example, photocopiers and computers rapidly lose market value due to continuing advances in technology. Different strategies can give rise to very different social and environmental outcomes, and these should be fully considered. When evaluating and selecting a strategy there is need to consider the future financial implications associated with the option, and ensure these are factored into the decision. Kieso (2007) identified the element of relevant cost. He postulated that an entity must try to find out which method involves more costs for example the cost of replacing or retaining an obsolete asset. The acquisition cost of the obsolete asset is totally irrelevant when considering the strategy to dispose of assets or replacement an asset. Asset managers find it difficult to accept the irrelevant of purchase cost up until they recognize that a sunk cost is one over which no managerial control can be exerted. While obsolete asset acquisition costs are not relevant to making decision, the operating cost of not having a new asset is a relevant cost. It is therefore important for entities to consider relevant costs only when selecting an asset management strategy that can reduce costs.

Woodhouse (2011) said that the decision making methods in the management of assets are currently fairly inconsistent and sub optimal. As the decisions do not address questions such as when replacement of equipment or the asset should be done. The suggested obsolete asset management solutions are silent about time of applying different strategies and the strategy



which minimizes costs is not known. The asset management solution does not show the period at which obsolete assets should be replaced or renewed and this makes it difficult for example when exactly to do the maintenance or to renew the assets and there is no one best do away with obsolete assets. The researcher has the view that whatever the strategy employed by the organisation should be a cost effective strategy taking into consideration of the relevant cost in service delivery.

## **2.6 Recommended Asset Management Framework**

Grubisic et al (2009) recommended the adoption of asset framework with full accrual accounting. This accordingly pave way for the public sector asset management reforms. The indication is that it helps public asset reporting, control and management processes, and fill the gap in the research on developing countries' public sector reforms. The fact that the government uses tax payers' money to provide service as well as use public assets, the State has the mandate to manage such assets on behalf of the public so as to preserve the national wealth.

Macmillan (2010) recommended that the best strategy of AM is to prioritize assets and empower asset managers accordingly. The involvement of staff and issues of asset management should be discussed at the highest level as an extension of an organization evolving workforce .The leaders should set tone of accountability and be responsibility of the asset management and look to asset managers to provide them with recent accurate information. He went further in mentioning the elements of effective asset strategy which includes the service delivery method, procedures, systems and training as well as asset performance.

The suggested strategy by Woodhouse (2011) to manage assets is to come up with a combination of strategy which includes planned procurement, recording, maintenance, refurbishment, and training of individuals, disposal and replacement.

The researcher recommends a strategic asset management practice that considers planning, procurement, asset life cycle asset register and asset performance and take into consideration all costs of operations and maintenance. The costs should be compared with the option of replacing the asset or disposing, the strategy with minimum relevant costs should be selected.

## **2.7 Summary**

This chapter has been extensively focusing on the theoretical aspects of AM. The current asset framework being used, benefits of asset management framework in service delivery, key elements of asset management, methods that can be used to manage obsolete assets and the recommended suitable framework for the management of assets. The next chapter will be on Research Methodology, which covers the procedures followed and the instruments used in conducting the research.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

Chapter three will introduce the research design used in the study. It will proceed to discuss and justify the selection of the research methodology that was used to establish a deeper understanding of the management of assets. This will include the selection criterion to research participants and sampling methods that were used in conducting the research. The chapter also covers the targeted population, research design, data collection procedures, research instruments, data presentation and analysis procedures. The chapter will conclude with a summary thereof.

#### **3.1 Research methodology**

According to Rajasekar et al (2013) defined research methodology is a systematic way to solve a problem. Essentially, these are procedures used by the researchers to go about their work of describing, explaining and predicting phenomena. It is also defined as the study of methods by which knowledge is gained and its aim is to give the work plan of the research.

#### **3.2 Research Design**

Creswell, (2009) described research design as a process that involves the overall assumptions of the research to the method of collection analysis. Research design increases efficiency of the research activities and ensures that the data collected is accurate in describing the phenomena studied. Research designs are grouped according to the purpose of the research that is descriptive or explanatory. For the purpose of this study the descriptive research design was used.

Carter (2012) describes the descriptive research design as a design that attempts to describe, explain and interpret conditions of the present that is “what is”. The purpose of a descriptive research is to examine the occurring at a specific place and time. A descriptive research is concerned with conditions, practices, structures, differences or relationships that exist, opinions held, processes that are going on or trends that are evident. Descriptive research design gave the researcher the opportunity to use both the qualitative and quantitative data analysis.

### **3.2.1 Qualitative Research**

Primary documents relating to asset management were reviewed first. These are documents from the Government of Zimbabwe, PFM Act, South Africa, Australia and Malaysia. The research reviewed the governing framework. Qualitative approach provide the background of the study areas and the researcher found it reliable. Qualitative approach is more subjective in nature than quantitative approach and involves examining and reflecting on the less tangible aspects of a research subject, for example values, attitudes, perceptions. Although this approach of research was easier to start, it was difficult to interpret and present the findings; in addition to that the findings are easily challenged.

### **3.2.2 Quantitative Research**

Quantitative research is the collection and analysing of numerical data; it concentrates on measuring the scale, range, frequency of phenomena, <http://www.brad.ac.uk>. (accessed 23 August 2014; 15:38). The researcher found this type of research, harder to design initially. It is usually highly detailed and structured and results can be easily collated and presented statistically. Quantitative method was used to present the findings using graphs and tables. The information

gathered was obtained from different levels of employees who described their experiences on asset management in their day to day operations. Quantitative and qualitative research are obtained in the primary source of data which was collected directly from targeted respondents.

### **3.3 Primary Data**

Primary research is the research that the researcher generates by asking questions, conducting trials and collating results. Burin, (2010) defined primary data as the data structures of variables that have been specifically collected and assembled for the current research problem. The research can take the form of quantitative or qualitative research. Creswell (2009) asserts that primary data is data collected from the field, that is, from the target population. The data was collected through on-site research of targeted population, through personal interviews and self-administered questionnaires.

### **3.4 Population**

Gray (2009) defined a population as the total number of possible units or elements that are included in the study. Population is the total sum of the units within the sample frame. The target population is the entire group of people, events or items which the researcher intends to collect information from during the study. Accordingly, the target population for this particular study was the employees from the administration and accounts department. The population of the current study was composed of eighty (80) officers in the MOMIP the required information considering that their operations are also governed by the PFMA and TI in accounting and management of public resources.

### **3.5 Sampling**

In research terms a sample is a sub set of population. It is a group of people, objects, or items that are taken from a larger population for measurement. The sample taken is the representative of the population to ensure findings are generalised from the research sample to the population as a whole. <http://www.thh.nhs.uk>. (Accessed 20/08/14; 1735) Sampling was advantageous to the researcher as it saved time as well as financial resources. Sampling is also preferred to a census by most researchers. It is argued that using sampling it makes possible a higher overall accuracy. A sample may be more accurate than the total study population which at times when a badly identified population is taken will lead to less reliable information than a carefully obtained sample.

#### **3.5.1 Sampling Techniques**

Sampling methods are techniques that are used to select representative samples. The researcher used the judgmental method which is in form of non-probability sampling. The sample members were conveniently chosen by the researcher to meet a predetermined criterion to provide the required information. The researcher selected individuals with the knowledge of handling assets by considering their position in the department and experience in government service. The advantage of using judgmental sampling to the researcher was that it reduced cost and time involved in acquiring the sample although it was subject to the researcher's bias.

**Table 3.1 Population and Sample Size**

Department	Population	Sample	Interview	Questionnaire	% Presentation
Accounts	30	18	1	18	60
Administration	25	17	2	17	60%
Other user Dpt	25	5	2	3	20%

### **3.6 Research Instruments**

According to [www.campus.educadium.com](http://www.campus.educadium.com) (accessed 24 August 2014; 19:12) data collection instruments are techniques used to gather standard information from all sample respondents. The study made use of a questionnaire with structured questions plus a few open ended questions. This also collected possible factors affecting the accounting and management of public resources thus government assets. Participants were also requested to suggest ways of improving the effectiveness of AM. The instrument was found ideal after considering that individual's views and facts from the documents were required. The population was health and also literate with variable under study and the subject was sensitive and important.

#### **3.6.1 Questionnaire**

Gray (2009) defined questionnaires as research tools through which people are asked to respond to the same set of questions in a predetermined order. This according to (Gray, 2009) is mostly used as a primary data gathering technique. The researcher used a self-administered questionnaire and the questions were guided and non-guided thereby allowing respondents to write freely and air their views as much as possible. The questionnaires were distributed to conveniently selected participants and followed them after three days. The results were quickly

and easily quantified by this researcher and through the use of a Microsoft Excel. The only limitation was that the questionnaire was simply an artificial creation by the researcher, as it is asking only a limited amount of information without explanation so the interviews were carried out.

### 3.6.2 Likert Scale

The researcher also used the Likert scale in the questionnaire. According to Venek (2012:1) “a Likert scale is a psychometric response scale primarily used in questionnaires to obtain participants preferences or degree of agreement with a statement or set of statements”. Likert scale is non-comparative scaling technique and only measure a single trait in nature. Respondent were asked to indicate their level of agreement with a given statement by way of an ordinal scale. The questionnaire comprised of five Likert scale items with the scores distributed as follows:

**Table 3.2 Likert Scale**

Item	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Points	5	4	3	2	1

The researcher found it advantageous in using the Likert Scale it was the most universal method for survey collection, therefore was very easily understood. The answering of questions was easier and also, the responses presented were very easy to code when accumulating data since a single number represented the participant’s response. Likert surveys is quick, efficient and inexpensive methods for data collection, it was versatile in that it was also sent to the respondents over the internet, or given in person.



However, the Likert Scale only gives options of choice, and the space between each choice cannot possibly be equidistant. Therefore, it fails to measure the true attitudes of respondents. Also, it is not unlikely that the respondent answers were influenced by previous questions.

### **3.6.3 Interviews**

Interviews are also another research instrument which was employed by the researcher to eliminate some bias and disadvantages encountered using the questionnaire. Gray (2009) defined an interview as a conversation between people in which one person has the role of researcher. The interviews helped the researcher to collect data that is relevant to the research objectives. The researcher used the face to face interviewing approach to interview five people from the Ministry of Media, Information and Publicity. Interviewing was also useful in that people enjoyed talking rather than answering questionnaires hence instant response was obtained. It allowed them an opportunity to reflect on events without having to commit them in writing.

### **3.7 Validity and Reliability**

In quantitative science validity is the extent to which measurement taps the concept it intends to measure. In order to ensure clarity and validity, the researcher pre-tested the instruments before administering them. The aim was to identify questions which were ambiguous and clarified them. Gray (2009) defined reliability as the degree to which an instrument will produce similar results at a different period. The reliability of research instruments concerns the extent to which the instrument yields the same results on repeated trials. The use of interviews to senior management and record analysis brought about reliable information for the researcher. Although unreliability is always present to a certain extent, there will generally be a good deal of consistency in the results of quality instruments used to gather data at different times.

### **3.8 Data analysis and presentation**

The data obtained was both qualitative and quantitative. The current AMF was analysed first by recording data on a table presented and interpreted based on the research question. Responses on factors and suggestions were quoted verbatim and presented on frequency tables generated from repeated responses.

The data collected was presented on different logical themes like pie chart on apportioning the total; tables were also used to present data, diagrams like bar graph, pie charts and percentage tables for proper presentation.

### **3.9 Summary**

This chapter discussed the descriptive survey method. The questionnaires, interview guide and government publications and policy documents were the instrumentation to collect data. Data presentation and analysis was outlined which is going to be fully presented and analysed in the next chapter.

## CHAPTER FOUR

### Presentation of data and analysis of findings

#### 4.0 Introduction

This chapter presents, analyse and discuss the findings of the study. Presentation of results was done with the aid of graphs, tables and pie charts and the analysis there of. The findings are based on the results from questionnaires and interviews.

#### 4.1 Response rate

The data analysis given below is based on returned questionnaires. Forty questionnaires were dispatched to conveniently selected respondents. Thirty five questionnaires were returned which showed 87.5% response which is considered as ideal for questionnaire survey as shown by the table 4.1 below.

**Table 4. 1. Questionnaire response rate**

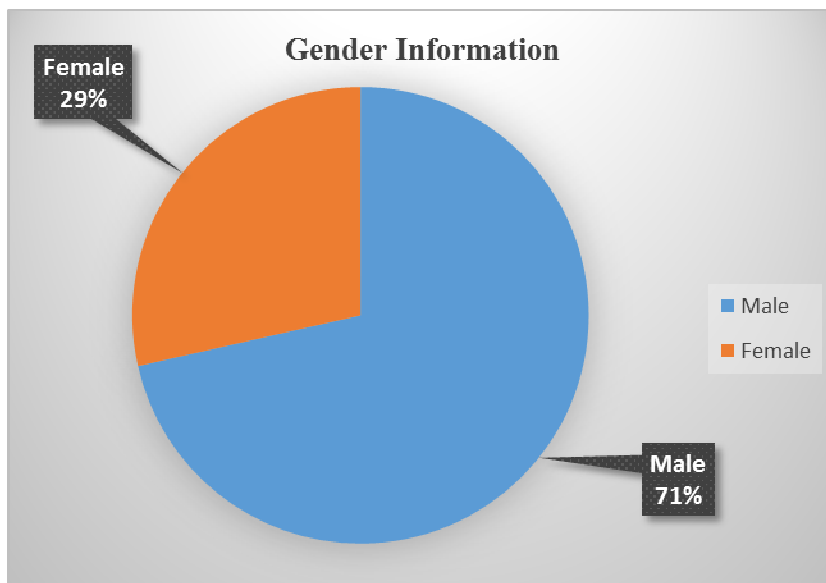
Dispatched Questionnaires	Returned Questionnaires	Response rate
40	35	87.5%

The fig. 1 below represent response by gender. Of the thirty five respondent ten were female and twenty five male. This suggest that they are more male than females in the organisation.

**Table 4.2 Demographic information.**

<b>Item Description</b>	<b>No. of respondents</b>	<b>%age response</b>
Female	10	29%
Male	25	71%
<b>Total</b>	<b>35</b>	<b>100%</b>

**Fig 4. 1. Presentation of gender information**

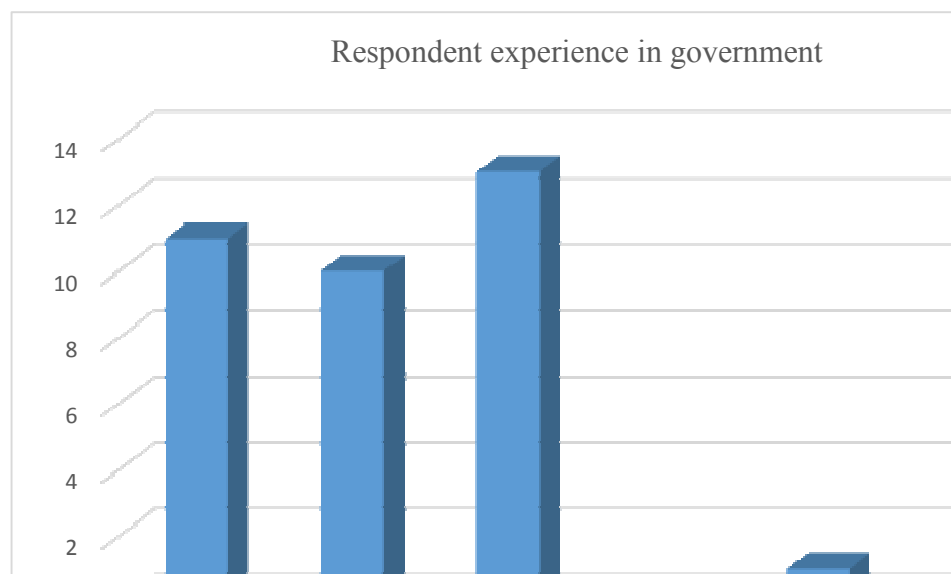


The respondents were requested to indicate their experience in the government service and the results are as shown in fig.2 below:

**Table 4.3. Respondents experience in government**

Years	0-<5	6-<10	11-<20	21-<30	31-<40	Above	Total
						41	
No. of Respondents	11	10	13	0	1	0	35
%age of respondents	31	29	37	0	3	0	100

**Fig 4.2 Distribution of respondent by experience in government service.**



The above fig 4.2 shows the respondent's years of experience in government service. The results suggest that most of the respondent have between 11-20 years of experience in working in government, this suggests that the respondents are aware of the of asset management in government, the variable understudy was known.

Information on age group of the respondents was provided and the following was obtained and is tabled below.

**Table 4.4 Distribution of respondents by age group**

Age	20-<30	31-<40	41-<50	51-<60	Above 61	Total
No. of Respondents	8	19	7	1	0	35

**Fig 4.3 Distribution of respondent by age group.**

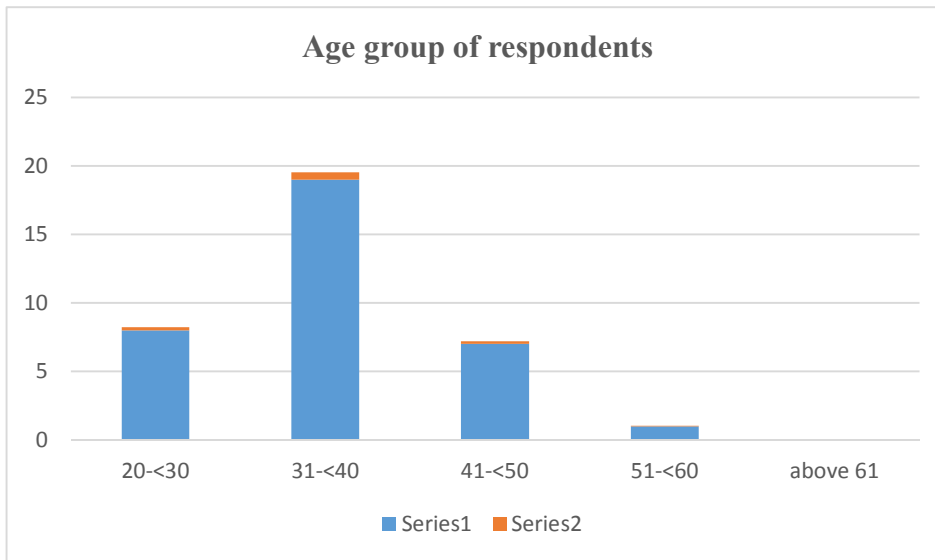


Fig 4.3 above summarise research results on the age of respondent. The majority of the respondents 54, 3% are in the middle age group of 31-40years, whereas 22, 9% are in the range of 20-30.years, 20 % are in the group of 41-50years, while 51-60years have 2, 8 %.

## Respondents by qualification

Information on the highest qualification of the respondent was also requested to be provided and the results were as follows:

**Table 4. 5 Responds on Qualification**

<b>Qualification</b>	<b>Frequency</b>	<b>%age</b>
Diploma	3	9
Higher Diploma	11	31
Undergraduate	15	43
Postgraduate	6	17
<b>Total</b>	<b>35</b>	<b>100</b>

43 % of the respondents are undergraduate, 31% have higher diploma while 17% are postgraduate and 9% are diploma holders as tabulated in the table above. The information gathered shows that most of the respondent are educated and knowledgeable and were able to understand the subject under study.

## 4.2 Asset Management Framework

The researcher asked three questions in order to obtain information about asset management framework. The first question was to find out whether the asset management framework exist in the organisation.

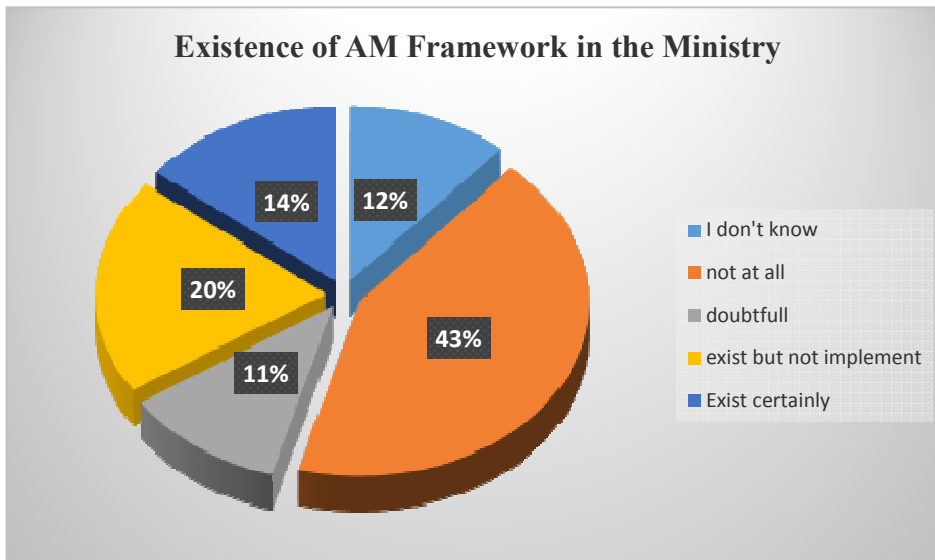
**Table 4.6. The existence of Asset Management Framework**

**1= I don't know 2= not at all 3=doubtful 4=exist but not implemented 5=exist certainly**

Scale	1	2	3	4	5	Total
No. of Respondents	4	15	4	7	5	35
% age of respondents	12	43	11	20	14	100

43 % of the respondent claimed that there is no Asset Management Framework as asserted by Shardy, (2011) and which was advocated by Grubisic, (2009) that legislative regarding public asset management is very crucial to the government .Those who indicated that AM Framework exist were merely 14%, and those who did not know whether AMF exist were 12%, those who were in doubt were 11% while those who claimed that it exist but not implemented were 20%.The fig 4.3 below illustrates the results obtained.

**Fig 4.4 Existence of AFM**





The second question was to establish if the framework is simple to use and implemented by all staff explained by the following:

**Table 4.7: The simplicity of AMF**

**1=I don't know 2=not at all 3=Doubtful 4=Neutral 5=Simple**

<b>Scale</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total</b>
No. of Respondents	1	12	8	9	5	<b>35</b>
% age of respondents	3	34	23	26	14	<b>100</b>

Of the thirty five only one respondent indicated that he does not know whether the framework is simple and easily understood by all staff thus 3%.The majority of 97% indicated either “not at all”34%, “doubtful” 23%, “neutral” 26% and 14% indicated that it was simple to understand and implement They research indicate that the framework is not implemented due to the absent of regulation since the amalgamation of PFM Act in 2010 which is against John and White (2008) who cited that the framework should be easy to be followed by the users.

The third question was to determine whether the Framework address most of the possible framework and the findings were as follows:

**Table 4.8 Elements of asset framework being addressed**

**1=Not at all 2=not convinced 3=Doubtful 4= Some process 5=all process**

<b>Scale</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total</b>
No. of Respondents	1	4	7	18	5	<b>35</b>
% age of respondents	2.9	11.4	20	51.4	14.3	<b>100</b>

The majority of 97.1% specified that they are “not convinced” 11.4%, “doubtful” 20%, “some process are addressed to” 51.4% and 14.3% showed that all possible elements are addressed in the framework. Overallly the existing framework shows that most of the process and activities are addressed as illustrated in fig 2.1 of the asset life cycle.

### 4.3 The key elements of asset management

The question was asked on how importance was the management of assets through its life cycle as the one of the element of asset management. The results indicated that 48.57% of respondents indicated that it is extremely important to manage assets through asset life cycle, 42.85 % were of the view that it was just important .2.9 % were “doubtful”, “not important”, 2.9%. On average the results indicated that the respondents view life cycle as an important aspect of asset management.

**Table 4.9. The importance of managing assets through life cycle**

1 Not important at all 2= Not important 3= Doubtful 4= Important 5= Extremely important

<b>Scale</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total</b>
No. of Respondent	1	1	1	15	17	<b>35</b>
%age of respondents	2.9	2.9	2.9	42.85	48.57	<b>100</b>

The results proved what was discussed by Victor, (2002) who emphasised the importance of asset life cycle is an element of managing assets.

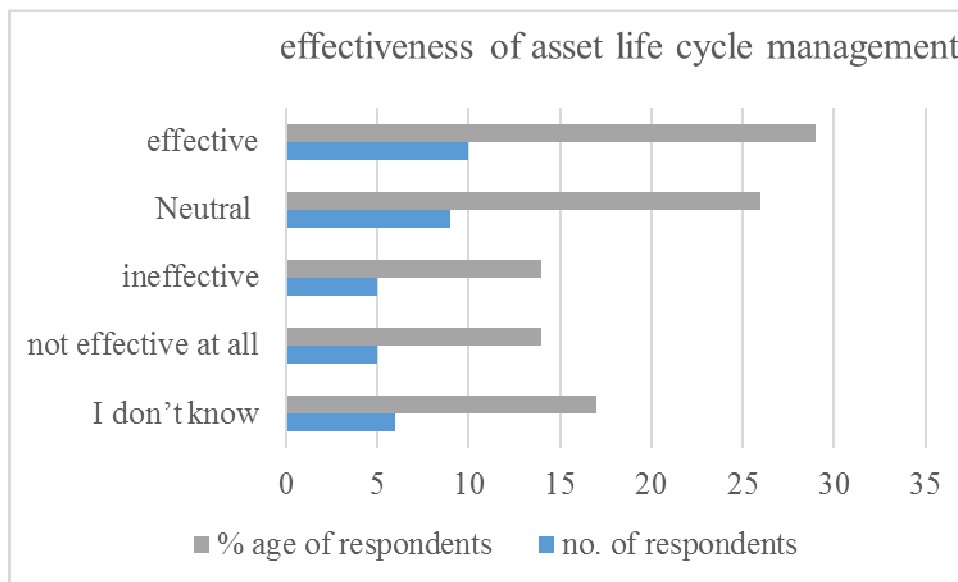
The researcher also asked the respondents on the effectiveness of asset life cycle and the response were as follows:

**Table 4.10. The effectiveness of Asset Life Cycle**

1= I don't know 2=not effective at all 3=ineffective 4=neutral 5=effective

Scale	1	2	3	4	5	Total
No. of respondents	6	5	5	9	10	35
% age of respondents	17	14	14	26	29	100

**Fig 4.5. The effectiveness of ALC Management**



The respondents who claimed that the life cycle management is effective were only 28, 6% “neutral” 25, 7% were neutral 45, 7% indicated that either “not effective at all”14.29% “ineffective” 14, 29%. These shows that the majority of the respondent indicated that asset life cycle management is not effective in ministries asset management. This is against Australian South Africa Local Partnership (2002), who cited that asset life cycle approach is the recommended to achieve best asset management practise and therefore should be effective

The definition of asset register was provided to the respondent were asked whether they agree with the definition of asset register.

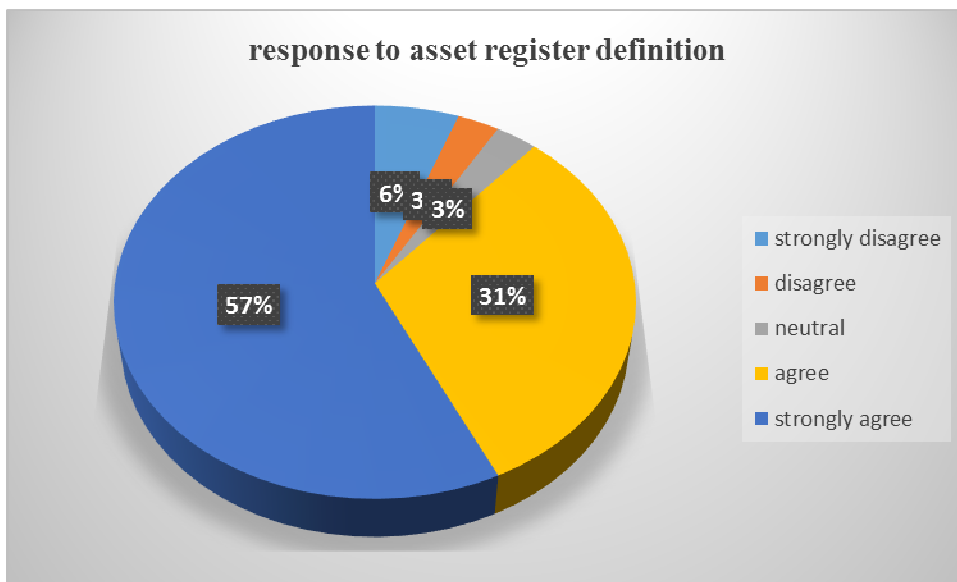
**Table 4.11. Response on Asset register definition**

**1= strongly disagree 2=disagree 3=neutral 4=agree 5=strongly agree**

Scale	1	2	3	4	5	Total
No of respondents	2	1	1	11	20	35
%age of respondents	6	3	3	31	57	100

The following Fig 4.6 presents the result:

**Fig 4. 6 Response on Asset Register definition.**



The asset register was defined as the system that records all information about the assets status. The response are as illustrated above 88% of the respondents either “agree” 31% and 57% “strongly agree” to the provided definition, 9% either “strongly disagree” 6% and “disagree”3%

where those who were “neutral” about the definition constituted 3%. It can be viewed as generally respondents accept the definition of the asset register. This is a positive response to the one provided by Australian Asset Management Framework (2011) which said that asset register records all information about asset status as outlined in 2.4.2.

In order to determine whether the ministry have accurate and complete asset register the respondents furnished the researcher with the following responses as shown in table below:

**Table 4.12. Accurate and completeness of Asset Register**

**1=I don’t know 2=Not at all 3=Not convinced 4=Doubtful 5=Exist to some extent**

<b>Scale</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total</b>
No. of Respondent	1	13	6	12	3	<b>35</b>
%age of respondents	3	37	17	34	9	<b>100</b>

According to the results shown in the above table 91% of the respondents indicated either “doubtful” 34%, “not convinced” 17%, “not at all “37% “I don’t know”3% and only 3 respondent indicated that the ministry does have accurate and complete asset register which makes up 9% Overall the results indicates that asset register is not accurate and complete. The effectiveness of asset management depends on the quality of asset register as mentioned by (Zimmermann, 2008) asset register improves accountability, transparent and ambiguity in state assets.

In order to determine the importance of asset register the respondents were requested to indicate their opinion. The responses were as follows:

**Table 4.13. The importance of AR**

**1= don't know 2=not important at all 3=not important 4=important 5=Extremely important**

<b>Scale</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total</b>
No. of Respondent	3	0	0	12	20	<b>35</b>
%age of respondents	9	0	0	34	57	<b>100</b>

According to the response on the importance of asset register, 91% indicated either "important" 34% or "extremely important" 57%. 9% of the respondents did not know the importance of asset register in the organisation this shows that the respondents are aware of the importance of the asset register and the results are positive as it is important to the management as discussed in 2.4.2.

Can a ministry that owns or manages assets succeed without a complete asset register? The question was asked to find out if it is possible to manage assets without a complete register the details of the responses are as follows:

**Table 4.14. Managing assets without complete and accurate register**

**1=Strongly disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly disagree**

<b>Scale</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total</b>
No. of Respondent	14	13	3	2	3	<b>35</b>
%age of respondents	40	37	8.5	6	8.5	<b>100</b>

From the response 77% indicated “strongly disagree” 40%, 37% disagree that it is not possible to manage asset in the absent of complete asset register. 8.5% were “neutral” 14, 5% indicated “Agree” 6% and “strongly agree” 8, 5% .This indicates that assets cannot succeed without complete asset register. Hatim (2013) mentioned that AR is a corner stone of an asset management framework for the entities no matter what the size of their asset portfolio.

#### **Performance measures for assets**

Three questions were asked the first was how often does the ministry monitors the performance of the assets. The table below summarises the responses.

**Table 4.15 Performance monitoring of assets**

<b>Rating</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total</b>
	Never	Every 5yrs	Annually	Quarterly	Monthly	
No. of respondents	7	0	20	5	3	35
%age of respondents	20	0	57	14	9	100

From the data given above it shows that 57% indicated that the monitoring of the performance assets is done annually. 20% said there is never any monitoring of the performance of the assets however 23% indicated 14% “quarterly” and 9% “monthly”. Overall the above results shows that performance monitoring is done as indicated by the National Treasury, (2004). The interviewees referred the annually stock take of assets which is a mandatory exercise done to prepare asset return.

The second question was to determine how the ministry measure performance of the asset against the asset management plan. The response were as follows:

**Table 4.16. How performance of asset measured in the ministry?**

Rating	1	2	3	4	5	Total
	None	Not sure	Qualitative basis	Quantitative basis	Point 4& 5	
No. of respondents	5	14	1	10	5	35
%age of respondents	14	40	3	29	14	100

The information above shows that 54% indicated “none” 14%, 40% were not sure of the point at which performance of assets are measured. 32% also indicated 3% qualitative basis 29% Quantitative basis. Only 14% of the respondent showed both qualitative and quantitative basis as measure of performance. The results shows mixed sentiment on the basis measuring assets performance which was asserted that performance can be evaluated by both quantitative and qualitative basis, <http://www.dtf.vic.gov.au> (accessed 19 August 2014; 1238)



The third question was to determine how well the assets performing from an operational perspective. The responses were as follows:

**Table 4.17. Asset performance from operational perspective**

**1= I don't know 2=very dissatisfactory 3=dissatisfactory 4=neutral 5=satisfactory**

Rating	1	2	3	4	5	Total
No. of respondents	3	3	8	11	10	35
%age of respondents	8.5	8.5	23	31	29	100

From the above table the response s indicate that 8.5% indicates that they do not know how the assets are performing. Also 8, 5 % were of the view that it is very dissatisfactory, 23 % indicated “dissatisfactory and 31 were neutral. This indicates that the government assets are abandoned and left to deteriorate as highlighted by Biti (2011) and they require serious upgrading to meet the required standard of performance. 29% indicated that it is satisfactory which suggest the negative attitudes in poor asset management of the government asset.

#### **4.4. Methods that can be used to manage obsolete assets**

What are the most effective ways of disposing assets? Five methods were provided by the researcher for the respondents to rate the effectiveness of each of method. The provided methods were public auctioning, tendering public offer and waste and dumping. The results are analysed for each method as follows:

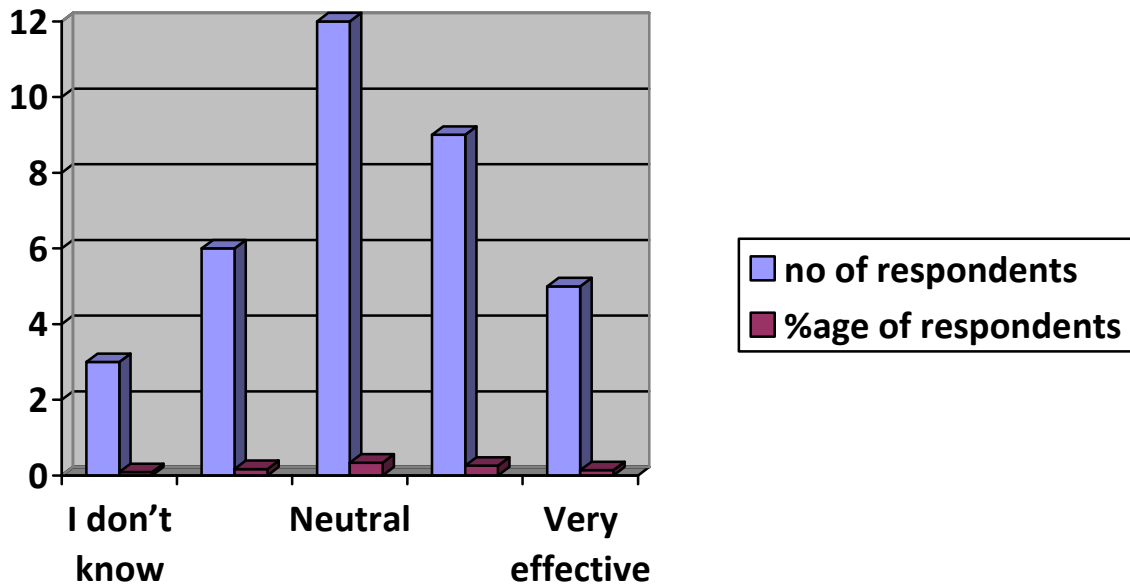
**Table 4.18. Managing obsolete asset through public auctioning**

**1=I don't know 2= not effective 3=neutral 4=effective 5=very effective**

<b>Scale</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total</b>
No. of respondents	6	1	3	13	12	35
%age of respondents	17	3	9	37	34	100

Public auctioning was termed as the effective way of managing obsolete assets given the results above. 71% indicated either “effective” 37% or “very effective” 34% .Only 9% of the respondents were neutral. The remaining 20% showed that either “not effective” 3% or 17% “I don't know”. On an average the results represents that tendering is effective method that can be used to manage obsolete assets. Anon (2009) had suggested public auctioning as it reaps more benefits. This method is open to public scrutiny to avoid looting of the assets. This was asserted to enhance transparency and accountability.

**Fig 4.7. Managing obsolete assets through Tendering**



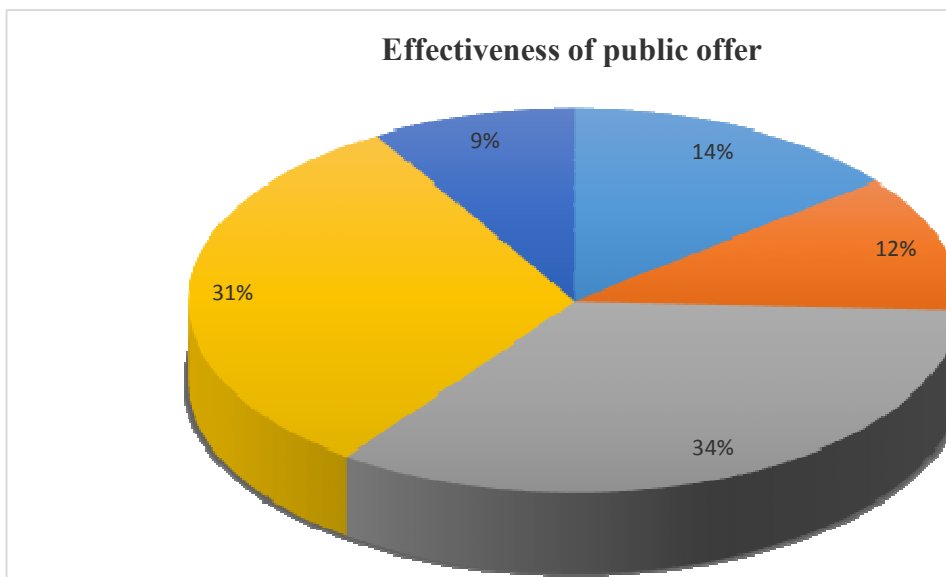
The researcher provided Tendering as way of managing the obsolete method in order to obtain how effective it was in public sector. The results shows that 26% indicated 9% “did not know” and 17% claimed it was “not effective” to manage through tendering. The majority of 74% indicated either neutral 34% effective 26% or very effective 14%. The method is a favoured method as is also preferred by (Timme, 2009) as it provides more control over the disposal of the assets. The method was claimed to be simple as the conditions are set that need to be set before awarding the tender. The interviewed respondent were all in favour of this method as this is the only method that is currently employed in public sector.

**Table 4.19. Managing assets through public offer**

**1=I don't know 2=not effective 3=neutral 4=effective 5=very effective**

Scale	1	2	3	4	5	Total
No. of respondents	5	4	12	11	3	35
% age of respondents	14	11	34	31	9	100

**Fig.4. 8. Managing obsolete asset through public offer**



The above fig. shows that 25% indicated either “I don’t know” 14% “not effective” 11% way of managing obsolete assets through public offer. 34% indicated “neutral”. However 40% of the respondents indicated 31% “effective” and 9% “very effective”. According to the interviewed respondents four cited that it is not an effective method in public sector .The method also needs treasury authority and does not involve public for competitiveness as advocated by (Osborn, 2009) because of the limited market and one buyer.

**Table 4.20. The benefits of asset management.**

1=Strongly agree 2=Disagree 3=Neutral 4=Agree 5=Strongly Agree

<b>Scale</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total</b>
No. of respondents	0	2	5	15	13	35
%age of respondents	0	5.7	14.3	42.9	37.1	100

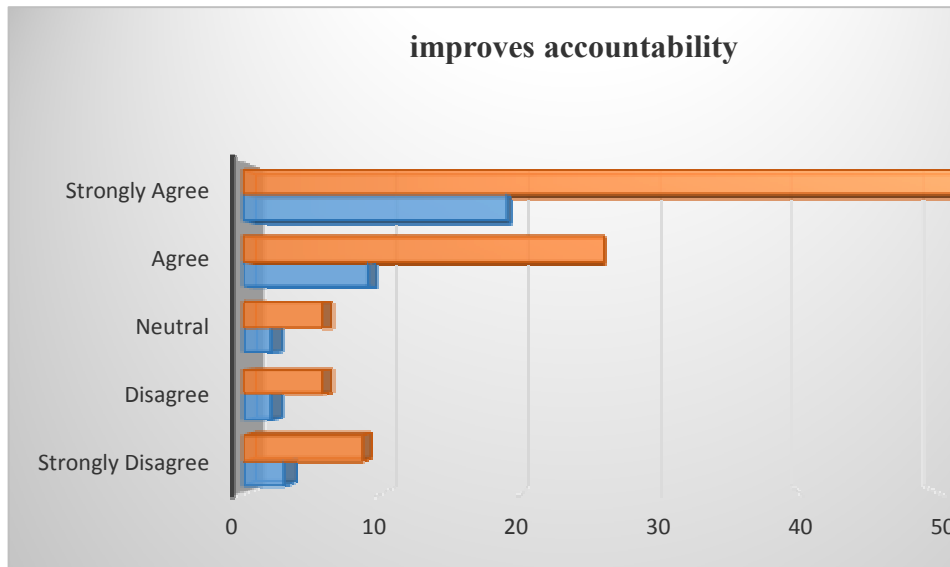
The respondents were asked how they feel as the relative importance of service delivery associated with AM. The results illustrated above shows that 80% either agree, 42.9% or 37.1% strongly agree that asset management improves service delivery. However 14.3% indicated neutral and 5.7% disagreed. Department of Treasury and finance Victoria (2012) had mentioned that AM contributes to economic growth through meeting service delivery demand.

**Table 4.21. Asset Management improves accountability**

1=strongly disagree 2=disagree 3=Neutral 4=agree 5=strongly agree

<b>Scale</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total</b>
No. of respondents	3	2	2	9	19	35
% age of respondents	8.6	5.7	5.7	26	54	100

Fig. 9 Asset management improves accountability.



The respondents indicated 90% either strongly agree 54% or agree 26% while 5.7% indicated neutral. However 14.3% indicated either 5.7% or 8.6%. The results suggests that they agree that AM surely improves accountability according to John and White (2008)

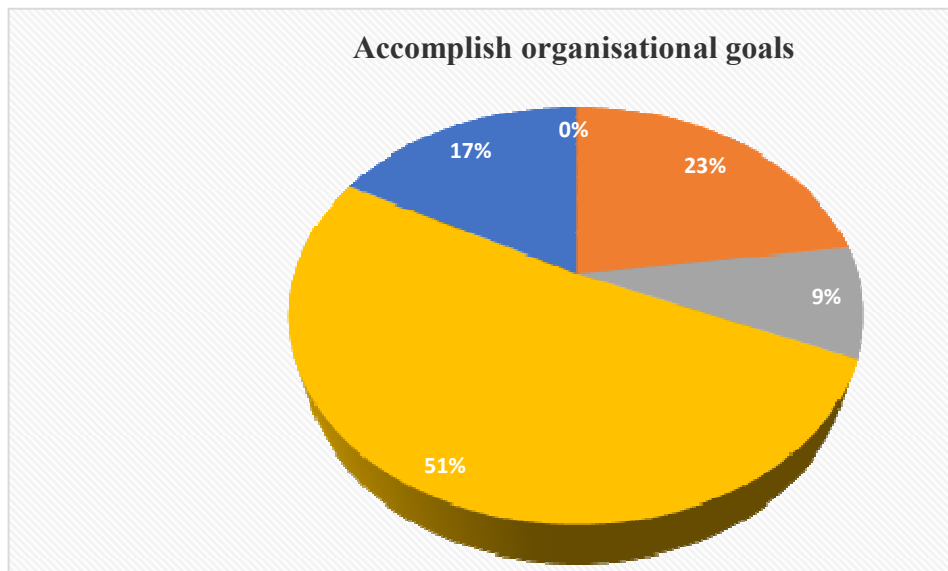
The respondents were asked the relative importance of asset management in terms of accomplishing organisational goals. 80% of the respondents indicated “agreed” 42.9% “strongly agree”, 37.1%. Those who indicated neutral were 14.3%, “disagree 5.7%”. The responds was positive as this indicated that majority of respondents agree that asset management contributes to accomplishing of organisational goals. Fig. 4.10 and table 4.22 below illustrates the results:

**Table 4.22. Accomplish organisational goals**

**1=strongly disagree 2=disagree 3=neutral 4=agree 5=strongly agree**

Scale	1	2	3	4	5	Total
No. of respondents	0	8	3	18	6	35
%age of respondents	0	23	9	51	17	100

**Fig.4.10 Accomplishing organisational goals**



**How can Asset management be improved and any other information?**

Researcher wanted to determine how management of asset can be improved. The question was open for respondents to provide any information pertaining the improvement of asset management. There was no one response but of the most appearing suggestion was to have a clear policy regarding asset management.

It was indicated that an acceptable practice of asset management Framework backed by strong accounting practice should be put in place. It was followed by the adoption of IPSAS as way to improve asset management. Pursuant to this it was also indicated that there is need for personal to change attitudes of carelessness and wastefulness towards public asset management thus proper training is essential in asset management. Amongst the responds these were the major ones which frequented most.

#### **4.5 Interview Response**

Interviews were conducted to one Chief Accountant, two Administrative Assistance and two Deputy Directors. Out of these five respondent only one Deputy Director was not available for the interview as he claimed that he had a busy schedule. The interview response rate are a tabled below.

**Table 4.23. Interview Response rate**

<b>Respondents</b>	<b>Targeted</b>	<b>Conducted</b>	<b>Response rate</b>
Administrative assistant	<b>2</b>	<b>2</b>	<b>100%</b>
Chief Accounting Assistants	<b>1</b>	<b>1</b>	<b>100%</b>
Deputy Directors	<b>2</b>	<b>1</b>	<b>50%</b>
Total	<b>5</b>	<b>4</b>	<b>80%</b>

#### **What is the policy in the management of asset in your organisation?**

The response from the two administrator officers claimed that AMF referring to PFM Act exists but there is no guidelines. The Deputy Director termed the Framework as a white elephant which means that it does not exist. This indicates 100% that there is no asset management policy being



adhered to which is against (Sir Michael Lyons report, 2004) of encouraging good practise in asset management throughout the public sector. They cited that the simplicity and understanding is achieved only when one has the background of asset management and mentioned that training of personnel is essential to understand the framework and be able to interpret .They mentioned that there is need to capacitate the drafting of a comprehensive asset framework. Reference is also to the questionnaire response on the same question in that 43% had indicated that there was no policy in place for asset management.

### **What are the benefits of implementing asset management policy in your ministry?**

There was a positive response on this question when the four respondents all cited numerous benefits associated with AM in the organisation. On the top of the list was the issue of accountability in support of what (Jones and White, 2008) explained on the benefits of asset management. The internal control is enforced as the documentation of such policies will be made aware and abuse of such assets are curbed. Better service delivery is achieved thus contribution to economic growth of the nation Transparency and ease monitoring of assets will be achieved, prolonged life an asset ,cost effectiveness were also mentioned as the benefits from asset management. In reference to questionnaire 90% of the respondents agreed that asset management improves accountability and 80% noted that asset management enables the organisation to accomplish goals.

### **In your opinion what do you think are the key elements of asset management?**

There was a mixed opinion in identifying the key elements of asset management. 75% indicated their knowledge on the subject with the same opinion. In their opinion cited asset planning, computerised AR as indicated by (Hatim, 2013) and the activities through the ALC assets best

illustrated by (Australian South Africa Local Government, 2002:13). Also cited that the asset register on its own is not simple to understand and have challenges such as incompetence of the personnel, attitude of personnel as they tend to be careless and wastefulness when using public asset henceforth the maintenance of asset register is affected. 25% indicated that consistent performance measure of assets and the basis is a key element of asset management these are the same sentiments from the questionnaire respondents who indicated asset life cycle, asset register and performance monitoring are key elements of asset management.

### **When and how does the ministry dispose of or replace assets?**

100% response admitted that there are numerous assets lying idle in the offices and corridor and the situation is worsening. Currently replacing of assets is worsened by the non-availability of funds due to dwindling of revenue collection. The disposal of assets is done when asset is no longer serviceable and where economic benefits are no longer flowing to the organisation. In other words assets are operated till they fail. They went on further suggested ways that are suitable to dispose of asset. These includes public auctioning as (Anon, 2009) had suggested it but indicated that the process of disposing is very slow such that assets continue to pile

### **Which asset management strategy do you think is the best to adopt?**

Of importance was need to adopt IPSAS in implementing asset management in supporting (Grubisic et al, 2009) who mentioned the importance of public sector reform by adopting full accrual accounting .They indicated that assets needs to be recorded at the net book value or revalued amounts so that financial statements includes non-current asset in the balance sheet. The interviewee indicated that the strategy should incorporate timed replacement and early disposal strategy, cost benefit approach as well as the preventive maintenance.

### **How best can asset management be improved?**

The respondents noted that to improve asset management there is need to conduct gap analysis. This will enable to identify areas of improvements and compare with the service that is currently provided and then come up with an improvement plan as elaborated by Environmental Protection Agency (EPA) (2012). The leaders should prioritize asset management, and set the tone on issues regarding asset such that investment in asset will help achieving organisational goals in support of (Macmillan, 2010) who said that the effectiveness of asset management is through the empowerment of asset managers. Staff involvement and training is essential to have an effective asset management. They also need to consistently monitor regularly not just an annual inventory physical count to check for internal control compliance.

### **4.6 Summary**

In this chapter, raw data was processed into meaningful information, which was then analysed and interpreted. The chapter presented and analysed data on findings using different methods such as graphs tables, and pie charts. Results indicate that there is poor asset management and there is need to come up with strategies to improve asset management. The next chapter presents the research conclusion and gives recommendations thereafter.

## CHAPTER FIVE

### Summary, Conclusion and Recommendations

#### 5.0 Introduction

This chapter focuses on the summary, conclusions and recommendations that are drawn from the research findings. It will establish the extent to which the objectives of the study would have been addressed and will prove or disapprove the research proposition. The objective of this chapter is thus to give concluding remarks and recommendations on the way forward in dealing with issues raised in the research. A set of recommendations will be given, which be adopted to improve their asset management.

#### 5.1 Chapter Summaries

The research was formulated to investigate into the poor asset management. Chapter One introduced the research to be undertaken, the background of the study, the research questions, the research objectives, justification of the study as well as the limitations were presented.

Chapter Two, which is the literature review, brought out what other sources, authors, various concepts, theories and experts say about the current framework being used, benefits of asset management framework, the key elements of asset management, the methods that can used to manage obsolete assets and the recommendation of suitable asset management framework was outlined. The prominent authors includes Abu, Shardy, Zimmermann and Grubisic just to mention a few.

Chapter Three gave a description of how the research was carried out in order to meet the objectives of the study. It touched on the research methodology and process used by the research

to collect data from the sample selected. It also encompassed the research design, the research instruments and data collection procedures. Advantages and disadvantages of research techniques were also stated. Since it was not possible to investigate the whole population, the sampling techniques used were also discussed.

Chapter four presented data gathered and collected through questionnaires and interviews response rate. The research findings were presented using tables, % bar graphs and pie charts. The information obtained in this chapter is available in the next chapter to make conclusions and formulate recommendations.

## **5.2 Major Findings**

The conclusion is drawn in terms of the study's major findings and their discussion in relation to the research objectives. The main objective of the study was to find out the causes of poor asset management of government assets. The research was successful considering the number of questionnaires returned back and 80% of the interviews response. From the facts gathered from most literature review and the interview and questionnaires the researcher drew the following:

### **5.2.1 To establish the current Asset Management Framework being used.**

The researcher findings brought to light that indeed there was a negative outcome. There is no asset management framework currently being used. The lack of effective asset management policies to match service delivery is an ultimate challenge. There is no basis on how assets are being managed. Thus indicated that there is no proper strategies and proper asset usage. There are no policy regulations to strengthen PFM Act currently.

### **5.2.2 To discuss the benefits of Assets Management**

The findings indicated that there are benefits associated in investing in assets. Best practice AM relies on the integration of knowledge, understanding and experience of how assets can contribute to organisation planning such as acquisition and disposal. Asset Management improves service delivery as it is the prime goal in public sector administration as compared to private sector which is profit maximisation. The enhancement of accountability and transparency is also greatly enjoyed as the assets are monitored and abuse of assets is minimised. Hence economic growth may be attained by freeing resources to other areas of importance.

### **5.2.3 To identify the key elements of Asset Management**

The findings from this aspects indicated that AM life cycle approach is the best appropriate practice of asset management which is not being considered in decision making. There is lack of proper AM information system. Due to the absence of this information integration system the asset register information available to decision makers is distorted and sometimes not available. Furthermore the lack of asset performance measure makes it difficult to set standards in respect of asset management in terms of achieving strategic goals.

### **5.2.4 To identify methods used to manage obsolete assets**

The research findings indicates that there are several methods used to manage obsolete assets. This includes public auctioning, private treaty, tendering, public offer and waste or dumping. However obsolete assets are on the increase despite the available methods of disposal. It was indicated that there is quite a number of assets which are left to deteriorate and there are several offices which are not serving the purpose but are full of obsolete assets. There is need to come up

with disposal policies and accurate records of obsolete assets so as to avoid assets going missing without anyone being responsible or accountable.

### **5.2.5 To recommend a suitable asset management framework**

It is recommended that assets be managed through life cycle approach. The suggestion of the importance of asset management reforms in adoption of IPSAS to help in asset reporting. The organisation have to develop policies and make sure that they are implemented accordingly. The strategic plan of the organisation should be revisited regularly to ensure proper asset planning.

### **5.3 Conclusion**

The research was a success due to the overwhelming responses from the respondents. The data was collected in a short period of time. The response rate on questionnaire was 87.5% whilst the interview response only one out of five interviewee could not be interviewed and this shows an 80% of response rate. There were no major challenges faced by the researcher. The obtained findings indicated positively that there is poor asset management. The researcher was able to make recommendations based on the findings.

### **5.4 Recommendation**

- The Treasury should put in place the effective and suitable framework in line with the PFM Act. This is in support with Shardy, (2011) that the lack of proper structure of asset management can be solved by putting in place an effective framework.
- Then AM processes should be put into practice within the organisation. Management Policy makers should prioritize asset managements as mentioned by Macmillan (2010)

- The benefits that should be considered in public sector is the improvement of service delivery to the public and meet the target there of. Goldsmith, (2013) asserted that asset management not only helps in realising the lowest recurring cost but also realize the value of assets by providing subsidized service to the public.
- The asset management framework should consider all the key elements of asset management thus life cycle approach, asset register and performance management this is also according to National Treasury (2004)
- It is advised to timely replacement and early disposal of near obsolete asset before its useful life to minimise the total cost of owning and operating them while delivering the desired service level this according to Jerry (2010).
- Asset management can be improved through change of attitude, perception and carelessness in the use of public assets by personnel. Macmillan (2010) mentioned that empowering of workforce is through continuous training of leadership skills from management level to bottom level.

### **5.5 Suggested areas of further research**

A further study is proposed to research the methodology on the capitalisation of asset cost and to determine the effectiveness of using Cash and Accrual Accounting for Asset Management.



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## **APPENDIX A**

Midlands State University

P Bag 9055

**GWERU**

20 August 2014

Ministry of Media, Information and Publicity

P Bag 7705

Causeway

**HARARE**

Dear Sir/ Madam

**RE: REQUEST FOR PERMISSION TO CARRY OUT A RESEARCH IN THE  
MINISTRY.**

I am an undergraduate student pursuing a Bachelor of Commerce Accounting Honours Degree programme with Midlands State University in Zimbabwe carrying out a research. My research topic is entitled “**An investigation into the management of assets: The case of Ministry of Media Information and Publicity**” This is in partial fulfilment of the above stated degree programme.

Your authority is sought to carry out the research.

The data will be held in confidence and will be used for academic purposes only.

Yours faithfully

**Erinera Samakonde**

**R12467Q**

**APPENDIX B**  
**COVER LETTER**

Midlands State University

P.Bag 9055

**Gweru**

05 September 2014

Dear Respondent

**RE: REQUEST FOR RESPONSE TO QUESTIONNAIRE**

The researcher Samakonde Erinera Registration Number R12467Q is an undergraduate student pursuing a Bachelor of Commerce Accounting Honours Degree programme with the Midlands State University in Zimbabwe. The researcher is collecting data on the research topic entitled” **An investigation into the management of assets: The case of Ministry of Media, Information and Publicity.**

You are being requested to contribute to the study by answering the questions on the questionnaire. This is in partial fulfilment of the above stated degree programme. Your responses will be used for academic purpose only and therefore treated as confidentially.

Show your responses by ticking or writing on the spaces provided. Feel free to answer all questions fully with honesty.

I thank you in advance for your cooperation.

Yours faithfully.

Erinera Samakonde.

**R12467Q**

## APPENDIX C

### QUESTIONNAIRE FOR RESPONDENTS

#### SECTION A: PERSONAL INFORMATION

1. Indicate your gender by ticking the appropriate box?

MALE

FEMALE

2. Tick the appropriate range of years of experience in government service?

0-<5

6-<10

11-<30

31-<40

above 41

3. Indicate your age group?

20-<30

31-<40

41-<50

51-<60

above 61

4. Tick the relevant level of your Education.

Diploma

Higher Diploma

Undergraduate

Post Graduate

**SECTION B: ASSET MANAGEMENT**

MARK THE APPROPRIATE BLOCK WITH AN “X”

1	2	<del>3</del>	4	5
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1	Does an asset management framework exist within your ministry?	1	2	3	4	5	<p>1 - I don't know</p> <p>2 - Not at all</p> <p>3 - Doubtful</p> <p>4 - Exist but not Implemented</p> <p>5 - Exist Certainly</p>
2	Is this framework simplistic and easy to be understood and implemented by all staff?	1	2	3	4	5	<p>1 - I don't know</p> <p>2 - Not at all</p> <p>3 - Doubtful</p> <p>4 - Neutral</p> <p>5 - Simple</p>
3	Does the elements of the developed framework, address most of the possible elements?	1	2	3	4	5	<p>1 - Not at all</p> <p>2 - Not convinced</p> <p>3 - Doubtful</p> <p>4 - Some Process</p> <p>5 - All Process</p>
4	How important is the management of assets through its life cycle?	1	2	3	4	5	<p>1 - Not important at all</p> <p>2 - Not important</p> <p>3 - Doubtful</p> <p>4 - Important</p> <p>5 - Extremely Import</p>



5	How effective is your ministry at asset life cycle management?	<table border="1" data-bbox="932 191 1422 264"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table> <p>1 - I don't know 2 - Not effective at all 3 - Ineffective 4- Neutral 5 - Effective</p>	1	2	3	4	5
1	2	3	4	5			
6	An asset register is the system that records all information about the assets status. Its purpose is to keep records of the ministry's assets and their respective values and attributes.	<table border="1" data-bbox="932 491 1422 564"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table> <p>1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree</p>	1	2	3	4	5
1	2	3	4	5			
7	Does your ministry have accurate and complete, asset register ?	<table border="1" data-bbox="932 848 1422 900"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table> <p>1 - I don't know 2 - Not at all 3 - Not convinced 4 - Doubtful 5 - Exist to Some Extent</p>	1	2	3	4	5
1	2	3	4	5			
8	How important is the asset register to the management of asset in your ministry?	<table border="1" data-bbox="932 1178 1422 1230"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table> <p>1 - I don't know 2 - Not Important at all 3 - Not important 4 - Important 5 - Extremely Important</p>	1	2	3	4	5
1	2	3	4	5			
9	Can a ministry that owns or manages assets succeed without a complete asset register?	<table border="1" data-bbox="932 1568 1422 1621"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table> <p>1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree</p>	1	2	3	4	5
1	2	3	4	5			

10	How often does your ministry monitor the performance of their assets?	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table> <p>1 - Never 2 - Every 5 years 3 - Annually 4 - Quarterly 5 - Monthly</p>	1	2	3	4	5
1	2	3	4	5			
11	How does your ministry measure performance of the asset against the asset management plan?	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table> <p>1 - I don't know 2 - Not Sure 3 - Qualitative Basis 4 - Quantitative Basis 5- Point 4 and 5</p>	1	2	3	4	5
1	2	3	4	5			
12	How well is your ministry's asset performing from an operational perspective?	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table> <p>1 - I don't know 2 - Very Dissatisfactory 3 - Dissatisfactory 4 - Neutral 5 - Satisfactory</p>	1	2	3	4	5
1	2	3	4	5			

**Mark the appropriate block with "X"**

<b>1</b> <b>I don't know</b>	<b>2</b> <b>Not effective at all</b>	<b>3</b> <b>Neutral</b>	<b>4</b> <b>Effective</b>	<b>5</b> <b>Very Effective</b>
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13	What are the most effective ways of disposing unserviceable assets?	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	1.Public Auctioning					
	2.Private Treaty					
	3.Tendering					
	4. Public Offer					
	5. Waste or dumping					

**Mark the appropriate block with “X”**

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

14	What do you feel are the relative importance associated with AM?	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	1.Improves accountability					
	2.Accomplish of organisational goals					
	3.Safeguard of Governmental Assets					
	4.Prolonging of asset life time					
	5.Improve maintenance of assets					
	6. Improves service delivery					
	7.Cost effectiveness					

15. How can Asset Management be improved in your ministry and any other information?

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**THANK YOU VERY MUCH FOR YOUR CONTRIBUTION**

**APPENDIX D**

**INTERVIEW GUIDE**

1. What is the policy in the management of asset in your organisation?

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2. What are the benefits of implementing policy in your ministry?

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3. In your opinion what do you think are the key elements of asset management?

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4. When and how does the ministry dispose off or replace assets?

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5. Which asset management strategy do you think is the best to adopt?

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6. How best can asset management be improved?

.....  
.....

**THANK YOU FOR YOUR CONTRIBUTION**