

**College of Micronesia – FSM**  
**Resolution of the Auditors’ 2012 Audit Findings**  
**Re: Fixed Asset**

**Inventory and Reconciliation of Count**

1. Inventory count and reconciliation of physical count with asset register.
  - Business Office will prepare the list of fixed assets per asset register.
  - Business Office, with the assistance from campuses and offices, will conduct physical count and reconciliation of the count with asset registers. The asset tag number should be indicated in the identification of the asset per the asset register.
  - The physical inventory count should be completed before closing the FY 2013 on October 31.
  
2. Reconciliation process.
  - If asset is sited:
    - i. If in good condition or still to be repaired, look for the tag number:
      1. If tag number is available, indicate the tag number in the asset register.
      2. If no tag number, assign a tag number.
    - ii. If damaged or to be disposed, indicate its condition and the tag number (if any) in the asset register and indicate for the disposal of the asset. Prepare the ASDF.
  
  - If asset is sited but not in asset register.
    - i. Get the details of the asset.
    - ii. Get the tag number. If no tag number, assign a new tag number.
    - iii. BO to enter the asset in the asset register
  
  - If asset is not sited:
    - i. Make a list and secure information from Deans/Office heads for its non-existence.
    - ii. Prepare the ASDF.

**Documentation and Processes to Strengthen Internal Control**

1. Receiving of Assets
  - a. The revised Receiving Report (RR) form will be implemented ASAP.
  - b. The revised RR will include the following additional information:
    - i. Complete description and specifications of the asset (brand, serial number, color and other specifications)
    - ii. Asset tag number
    - iii. Location of the asset

- iv. Assignee/user of the asset
- c. The receiving office will be responsible in the filling – up of the revised RR, and in tagging of assets.
- d. The Fiscal Officer or Business Office representative shall witness the receiving and tagging of assets. Tag numbers are to be provided by the Fiscal Officer or Business Office representative.
- e. Assets will be issued only if tagging is completed. No assets will be issued without the tag number.
- f. The assignee/user of the asset must acknowledge the receipt of the asset by signing the receiving report.
- g. The Fiscal Officer or Business Office staff will handle the dissemination of copies of the receiving report. Copy of the receiving report will be disseminated as follows:
  - Copy 1 - Business Office/Fiscal Officer
  - Copy 2 - Receiving Office

## 2. Transfer of Assets.

- a. The new Asset Transfer Form (ATF) will be implemented ASAP.
- b. The ATF will document the transfer from one campus to another campus or within the campus.
- c. The ATF will include the following information:
  - i. Issuing and receiving campus/office.
  - ii. Asset tag number
  - iii. Condition of the asset
  - iv. New location and new user
- d. The issuing office will be responsible in the filling – up of the ATF.
- e. The receiving office should only acknowledge the transferred assets and no Receiving Report should be issued.
- f. The original tag number should not be changed.
- g. The Fiscal Officer or Business Office staff will handle the dissemination of copies of the ATF as follows:
  - Copy 1 - Business Office/Fiscal Officer
  - Copy 2 - Issuing Office
  - Copy 3 - Receiving Office

## 3. Disposal of Assets.

- a. The new Asset Survey/Disposal Form (ASDF) will be implemented ASAP.
- b. The ASDF will document the recommendation, approval and survey on the disposal of assets.
- c. The ASDF will include the following information:
  - i. Campus/office and the person handling the disposal.
  - ii. Asset tag number
  - iii. Description

- iv. Condition of the asset
- v. Reason for disposal
- vi. Suggested disposal value, if any
- vii. Suggested manner of disposal
- viii. Signatures of persons recommended and approved/surveyed the disposal.
- d. The directors/deans and program heads should sign the approval of the disposal, and the fiscal officer or business office representative should sign the surveyed by portion.
- e. The Fiscal Officer or Business Office staff will handle the dissemination of copies of the ASDF as follows:
  - Copy 1 - Business Office/Fiscal Officer
  - Copy 2 - Office handling the disposal

4. Report on Disposal of Assets.

- a. The new Asset Disposal Report (ADR) will be implemented ASAP.
- b. The ADR will document the completed actions on disposal.
- c. The ADR will include the following information:
  - i. Campus/office
  - ii. Asset tag number
  - iii. Description
  - iv. Condition of the asset
  - v. Proceeds from scrap value of the assets, if any
  - vi. Manner of disposal
  - vii. Details on the remittance of the proceeds
  - viii. Signatures of persons who handled the disposal and the verification by the director/deans on the accuracy of the report.
- d. The Fiscal Officer or Business Office staff will handle the dissemination of copies of the ADR as follows:
  - Copy 1 - Business Office/Fiscal Officer
  - Copy 2 - Office handling the disposal

5. Numbering of forms.

- a. The number series of the forms are to be controlled by the Fiscal Officer or Business Office representative.
- b. The forms will be numbered only if duly signed.
- c. The following format will be followed:
  - Form/Campus Code/FY/Number Series