

## Asset Management

### 1.0 Purpose

The purpose of this procedure is to provide a system for the asset management and for its effective implementation across the Karnataka Police Housing Corporation Limited (KSPHC).

### 1.1 Application

The scope of this system procedure is applicable to the Corporate Office of KSPHC and all its divisions and sub-divisions, where assets have been installed by KSPHC

### 2.0 Responsibility

Responsibility and authority for various activities of “Asset Management” are described in the following paragraphs.

### 3.0 Terms and definitions

**Asset** – Any physical or intellectual entity that has value

**Control** – Means of managing risk, including policies, procedures, guidelines, practices, or organisational structures, which can be of administrative, technical, management or legal nature

**Risk** – Combination of the probability of an event and its consequence

**Threat** – A potential cause of an unwanted incident, which may result in harm to a part or whole of a system of an organisation

**Vulnerability** – A weakness of an asset or a group of assets that can be exploited by one or more threats

### 4.0 Abbreviations used

#### 4.1 Abbreviations used for various documents of quality management system

QM	=	Quality Manual
QSP	=	Quality System Procedure
WI	=	Work Instruction
CL	=	Checklist
ASL	=	Approved supplier list
ML	=	Master list

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- F = Form  
AP = Audit plan  
QP = Quality Plan  
PMP = Project Management Plan

#### **4.2 Abbreviations used for various functions /processes of quality management system**

- MGMT= Management  
EST = Establishment  
ADMN= Administration  
HRD = Human Resource Development  
FIN = Finance  
ACC = Accounts  
DES = Designs  
TECH = Technical  
CONT= Contracts  
CONS= Construction  
QA = Quality Control and Quality Assurance  
LAB = Laboratory (Inspection and Testing)  
MNT = Maintenance  
STR = Stores  
PUR = Purchase  
PM = Project Management  
PR = Public Relations

### **5.0 Asset Classification and Control**

#### **5.1 Inventory of assets**

Inventory of assets help ensure that effective asset protection takes place and is also required for statutory audit purposes; it is also a business concern and plays a key role in fulfilling insurance requirements. The process of compiling an inventory of assets is an important prerequisite for risk management.

Details of all fixed immovable assets of the Corporation in the form of land holdings, buildings, etc shall be maintained by the AAO. The AAO shall be responsible for maintaining all relevant records of ownership of such assets, tax paid details, payment of all revenue related dues of such fixed immovable assets and shall be responsible for

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ensuring that such assets remain free of any encumbrances, unless specifically hypothecated to a bank or a financial institution as decided by the Board of Directors or their nominee. The AAO shall make note of all such lien on the properties of the corporation and shall suitably update such information in the event of any change in the status.

KSPHC has identified the written down value of all physical assets, determined its current location, and has maintained a Fixed Assets Register containing these details. This record is available with the Project Manager (Audits). New purchases and its intended place of use or transfer of assets from one place to another, is authorised by the AAO under information to the Project Manager (Audits), who accordingly adds the asset to the Fixed Assets Register or makes a note of the change of ownership of the asset. The type of assets considered as physical assets and included in the Fixed Assets register will bear a unique number, and include the following items:

Tables, chairs, writing instruments, various items of office use, miscellaneous items of furniture, lockers, almirahs, storage cabins, file cabinets, store bins, trays, cutlery, vehicles, travel aids, communication fixtures (boards, display boards, notice boards, display screens, telephone instruments, fax machines, projectors, etc), personal and portable computers, storage devices (fixed and portable hard disks, diskettes, floppies, pen drives, compact discs, etc), servers, routers, and such support systems, scanners, printers, photo-copying machines, cameras, public address systems, utilities like heating, lighting, power, air-conditioning and connected fixture, trophies, medals, awards, etc

The unique identification number will also be marked on the asset item, if practicable, and is verified during the annual asset verification program.

Other assets which could include the following are soft assets, details of which are maintained by the Executive Engineer (Systems):

Software programs developed in-house, licensed software programs, licenses, digital signature ownership documents, web site designs, web content, databases, data files, contracts, agreements, system documentation, research information, development input and output, drawings, designs, user manuals, training material and manuals, audit reports, archived information, software development tools, utilities, all kinds of manuals, operational and support procedures, business continuity plans, etc

### 5.2 Ownership and control of assets

All information and assets associated with information processing facilities is owned by the departmental / functional heads, Executive Engineers (at divisional level), and Asst

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Executive Engineers (at the sub-divisional level). Physical assets are owned by the person to whom it is issued (the user) on behalf of the functional head and the user has to report any damage etc to the departmental head, who in turn shall arrange to get it repaired or declare it unserviceable and arrange for replacement.

### 5.3 Implementation

#### 5.3.1 Acquisition of assets

An asset may be acquired once it is sanctioned by the CMD / ED; the purchase and acceptance procedures are to be followed by the purchasing authority. Subsequently, the asset needs to be transferred to the concerned indenting department through the Departmental Head and a receipt for having safely received the said asset should be obtained.

#### 5.3.2 Post acquisition processes

Complete information regarding the asset, value and its ownership should be provided to the concerned asset register custodian, who shall update the register and return the receipt of safe acknowledgement of the asset to the purchasing authority with the unique number assigned to the asset. The purchasing authority shall proceed to inform and instruct the concerned user through the HOD to identify the asset by the unique number and mark it accordingly on the asset, wherever possible. The user of an asset shall arrange to get the asset properly serviced through the HOD and shall keep it in good condition at all times. The user shall inform the HOD once the asset becomes unserviceable and / or needs to be replaced. The purchasing authority is informed of this status, who in turn shall check on the warranty, guarantee, replacement and exchange facilities with the supplier. If declared unserviceable, the purchasing authority shall accordingly inform the Asset Manager [PM (Audit)], who shall decide the rate at which the scrapped asset may be disposed. The AAO in consultation with the EE (Contracts) / Divisional EEs shall appoint an authority for disposal as per the guidance document and then proceed to dispose off the scrapped asset and inform the Asset Manager once the proceeds of such sale are received. The Asset Manager shall accordingly update the Asset Register.

#### 5.3.3 User responsibilities

The user shall inform the purchasing authority through the head of the division / unit / section about any maintenance and repair requirement that may arise to keep the asset in good working condition, and ensure that such works are carried out. It shall be the responsibility of the user to keep the asset in good working condition at all times and report any damage or loss sustained by the asset during its intended use to the head of

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the department within a reasonable period of time. The user shall be held accountable to any unreported loss or damage to the asset.

#### 5.3.4 Audit of assets

The Asset Manager shall arrange to conduct an annual physical verification of all assets in the prescribed format and ensure that all items are accounted for and obtain a certificate of fitness of assets from the heads of division / unit / section. In case of detection of any discrepancy, the user and the concerned heads of division / unit / section shall be held responsible and may be asked by the Asset Manager to explain the deficit and forward such explanation to the Top Management Committee for suitable action. The Asset Manager shall also proceed to make the required corrections in the Assets Register after obtaining the approval for write-off from the Top Management Committee or by its assignee.

#### 5.3.4 Ownership of intangible tools

In case of system tools like the Project Management System and e-commerce system, the respective head of division / unit / section shall be treated as the asset owner. The concerned asset owner shall provide the required guidance, training and instructions, to the employees, contractors, and such third party users regarding the use of such assets for the common good of the organisation. Such users shall also receive information about the limitations of the system tool and instructions to be followed in case of any malfunctioning. All steps of the procedure mentioned for other assets under section 5.3.3 are also applicable for all types of computer systems, peripherals, storage devices, input – output devices, projectors, screens and all kinds of software, licences and other tools.

## 6.0 Records

Sl. No.	Name of the record	Authorizing personnel	Custodian of record	Retention time
1	Fixed assets register	AAO	PM (Audits)	Permanent
2	Soft and computer related assets register	CMD / ED	EE (System)	Permanent
4	Asset acknowledgement	Head of division / unit / section	AAO	Till asset lasts
5	Land and building records	ED	AAO	Permanent
6	Annual system maintenance register	EE (System)	EE (System)	

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- a) ISO 9001:2000 Clause Numbers 4.2.3, 4.2.4, 6.3, & 6.4
- b) Quality Manual Clause number 4.2.3, 4.2.4, 6.3, & 6.4

**8.0 Associated documents**

- a) QSP 01
- b) QSP 02
- c) QSP 16
- d) QSP 17

**9.0 Revision details**

Revision 0 – First issue

**10. Distribution of procedure**

MR and the SQM shall issue this procedure to all functional heads of departments.

Approved by	
Reviewed by	ED along with all other stakeholders on 17.10.2007
Prepared by	MR