



Issue Date: March 2009	Effective Date:	Responsible Agency: Comptroller General	Directive No: 605-1
Chapter: Government Accounting Policy			
Directive Title: INTERNAL CONTROL-ACCOUNTABLE ASSETS			

1. POLICY

The Government maintains complete and accurate records of accountable assets so as to fulfill the accountability requirements of s.61 of the *Financial Administration Act* and Generally Accepted Accounting Principles. The Government also exercises adequate physical control over assets to prevent their misuse or loss.

2. DEFINITIONS

2.1. Tangible Capital Asset

Non-financial assets having physical substance that:

- are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- have useful economic lives extending beyond one accounting period;
- are to be used on a continuing basis; and
- are not for sale in the ordinary course of business and operations

Tangible capital assets are employed to deliver government programs and services.

2.2. Accountable Asset

All assets with an acquisition cost greater than \$500 and assets with an acquisition cost less than \$500 that are attractive targets for pilferage and/or are readily convertible into cash such as computer printers, digital cameras, outboard motors, and mobile communication devices.

Classification as an accountable asset does not depend on whether it is charged to capital or operations and maintenance, but is more related to the nature of the asset and the risk of it being pilfered or misused.



FINANCIAL ADMINISTRATION MANUAL



Accountable assets are public property.



3. DIRECTIVE

Deputy Heads are responsible for ensuring that adequate records are maintained for all accountable assets in their departments and that proper physical controls are in place to prevent misuse or loss of the assets.

4. PROVISIONS

- 4.1. The Executive Finance Officer (EFO) in each department must maintain a register of all accountable assets within the department. This record must contain sufficient details to be able to locate the physical asset and provide proper monitoring and accounting for the item.
- 4.2. Accountable assets must bear an identification tag that is traceable to the asset records maintained by the department.
- 4.3. The EFO in each department must verify the record of accountable assets against the physical assets each year. All discrepancies are to be investigated and corrected.
- 4.4. The EFO in each department must provide the Office of the Comptroller General with the information concerning accountable assets that is requested as part of the year end procedures.
- 4.5. The disposal of accountable assets (public property) must be in accordance with Directive 704-3.