



**PRACTICES AND CHALLENGES ON FIXED ASSET MANAGEMENT:
THE CASE OF GURAGE ZONE, ENDEGAGN WOREDA FINANCE AND
ECONOMIC OFFICE**

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PLANNING AND MANAGEMENT**

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MULUGETA BARKEDA ZERGA

ADVISOR

TAMRU YIHUN (PhD)

WOLKITE UNIVERESITY

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**APPROVAL SHEET
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ABSTRACT

The main objective of this study was to assess practices and challenges of fixed asset management: in the case of Gurage zone Endegagn Woreda Finance and economic office. The study used descriptive research design with purposive sampling technique and it involves both quantitative and qualitative research approaches. Data were collected from 64 office heads and employees which included 61 different department of finance and economic office employees from eight directorates, two vice head of offices and one chief head of offices by using purposive sampling technique were used for distribution of questionnaires, interview eight public heads and observation. In addition to primary data, secondary data were used like documentaries. Then, collected data were arranged, coded, entered into computer software and analyzed by using the statistical package for social sciences (SPSS) version 26. Based on the analysis of data, the researcher found that the practices and challenges of fixed asset management in Gurage zone Endegagn woreda finance and economic office is deemed to be and recognize as poor due to many reasons. Among these reason, the organization has no adequate plan for fixed asset operation, maintenance and disposal, there is weak monitoring and controlling system to protect fixed asset from misuse, through private consumption, loss and wastage in the organizations. As a consequence (impact), it results in increasing maintenance cost, financial loss, need for new asset, risk and decrease service delivery level. Therefore, the researcher suggests that the organizations management should strengthen fixed asset management system through promoting management emphasis, led by plan each stages, create awareness top to low level managers and employees, human capacity building training internal auditors, established accountability, transparency and controlling system.

Key words: Challenges, Fixed Asset, Gurage Zone, Management, Practices,

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DECLARATION

I hereby declare that this MA thesis is my original work and has not been presented for the award of any degree or examination at any other university and that all sources of materials used for this thesis have been duly acknowledged.

Name: MULUGETA BARKEDA ZERGA

Signature: _____ Date: MAY, 2022

This MA thesis has been submitted for examination with my approval as a thesis advisor.

Name: TAMRU Y. (PhD)

Signature: _____

Place and Date of Submission: _____

ACRONYMS

BPR	Business Process Re-engineering
EFG	Ethiopia Federal Government
FAMU	Fixed Asset Management Unit
FAR	Fixed Asset Register
GFAMM	Government Fixed Asset Management Manual
GOFAM	Government of Fixed Asset Management
GOFAMM	Government Owned Fixed Asset Management Manual
ICT	Information Communication Technology
IFRS	International Financing Reporting Standards
MOFECO	Ministry of Finance and Economic Cooperation
MOFED	Minister of Finance and Economic Development
NAMS	National Asset Management Steering Group
SNNPRS	South Nation Nationality People Republic State

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Fixed assets are tangible asset costing birr 1000 or more than is on operational use and that has a useful economic life or more than one year. Such as furniture , computers, heavy equipment, vehicles, ships and air craft, building roads, sewers, bridges, irrigations systems and dam. Like private business, a government should maximize the value of fixed assets when providing property services (Yoatoi Lu, 2011).

Fixed assets management is an important accounting process that seeks to track fixed assets for the purpose of financial accounting, preventing maintenance and theft deterrence (Tay:2009).“Fixed Asset Management as” the coordinated activity of an organization to realize value from assets”. Activity can take many forms, both tangible and intangible.

The main goal of fixed asset management is to achieve the best possible match of assets with service delivery strategies and to ensure that assets made available are properly cared for in order to maximize their service potential. Its life cycle is divided into four stages: planning, acquisition, maintenance, and disposal or replacement (Lepani, 2008).According to Phelps(2009;P;43), asset management has emerged as a result of a public sector operating environment where funding is scarce relative to investment needs or new and existing fixed asset. Even though fixed asset management is usually not articulated as a direct task of public representatives, it indirect relates to pursuit to many governments function, such as public good and services provision, heritage preservation, Strategic goal achievement and tie daily operational tasks of public representatives (Grubisic et al, 2009).

Fixed asset management in public sectors is one of the most challenging areas in countries of the world. The problem is manifold in Ethiopia. Excessive holding, failing to value, depreciate, and dispose of the assets are the main challenges, and due to these challenges, the loss resulting from mismanagement of the assets is substantial. Thus, it is advisable to invest properly in fixed assets and design appropriate management system which will help the government in reducing investment costs in long-term assets and ensuring proper utilization of public properties (Tadewos, 2012).

According to Davis (2007) cited in Hani's (2012), asset management is a continuous Process improvement strategy for improving the availability, safety, reliability, and longevity of assets, that is systems, facilities, equipment, and processes. A comprehensive fixed asset management strategy will be needed at all organizational levels, from delivering data for asset planning, providing information to decision makers before making acquisitions and developments, and providing the systems and data needed to support assets decision throughout asset's lifecycle. Through effective assets management, a public sector organization will improve its governance and accountability arrangements with regard to its stewardship of fixed assets (NAMS, 2006b; Scottish Executive, 2003 cited in Ngwira and Manase, 2016 p.6).

Asset management of public property is understood as the process of making and implementing decisions about property acquisition, use management, and disposition (Kaganova, 2008, p.1). In the government property Guideline, no 6/1999, government, property is defined as fixed assets and a stock owned by the federal government of Ethiopia FGE excluding money and land. Management of government owned fixed assets is mainly concerned about the duties of care, control and effective use of the fixed asset. The acquisition and disposition of fixed asset is a part of the stock management system. According to South Nation Nationality and People Regional (SNNPR) state procurement and property administration proclamation no, 146/2012(2012), public property means any property of the regional state other than public fund and , head of each public body shall ensure that property handled ,used and disposed of in accordance with the directive to be issued by the bureau.

Some literatures indicate that managing fixed asset is challenging due to many factors unlike private asset management. Among others, Hasbi, Bambang and connie (20011.p.1) determine fixed asset management challenges are absence of an institutional and legal framework to support the asset management application, nonprofit principle of public asset multiple jurisdiction involved in the public asset management processes the complexity of local government objectives un availability of data for managing public property, and limited human resources, in public property management. The major problem are honesty in competence, lack of proper incentives for public sector agencies and staff , inadequate legal

regulatory environment , influence of politics, legitimized conflicts of interest and corruption and favoritism (Kaganova 2008,p.4-5).

The regional government has a legal framework for property management (non-financial assets monitoring).The framework is stipulated in SNNPR Procurement and Property Administration Proclamation No. 146/2012 and SNNPR Property Administration Directive No. 14/2013. The Government Fixed Assets Management Manual (GOFAMM) also outlines the policy guidelines for fixed assets management, control, and safeguarding of public assets. There is no consolidated fixed assets register for the region. As mandated by the legal framework, each budget entity maintains a fixed assets register under its custody. The asset register at each budgetary unit provides information on its usage, age, and custodian of the asset. The asset user card also provides this useful information.

Government own fixed asset management manual (GOFAMM; 2007, p.25-27) states the existing fixed asset system is incomplete in Ethiopia. Again federal public procurement and property administration agency indicates that public bodies/ sectors do not give much emphasis for public fixed asset management and asset management is not implemented as per proclamation, directive and manual (Public procurement and property Administration Agency newsletter, published on may, 2012). Therefore, the historical background of fixed asset management is poor and problematic in this country. Moreover, as per the researcher fixed asset management inefficiency may be more in zonal level in that its property administration is undertaken by only one core process for the whole zonal public sectors.

Gurage zone Endegagn woreda finance and economy office is selected as a study area because such research has not been done so far in this level and area. This lack of research, especially under the zonal administrative context, has a major motivation to carry out this study in light of this information the study were investigate how the fixed asset is managed and controlled by Gurage zone Endegagn woreda finance and economy office as elaborated in the next problem statements.

1.2. Statement of the Problem

According to kaganova (2008:1),until very recently ,public fixed asset management had been very non transparent, inefficient ,and not sufficiently integrated in public financial in the

developed countries .In Ethiopia, public fixed asset management has been inefficient and incomplete due to modified cash based system of government accounting system that do not provide financial statement for fixed asset accounts (GOAMM,2007:5-6).Fixed asset includes furniture, computer, heavy equipment, vehicles, ships, aircrafts, building roads, sewers, irrigations system, cars and dam like. The existing fixed asset registers maintained by the public bodies or sector are incomplete and not similar in form and content and hence, it is not possible to obtain information that will enable the determination of the total asset owned by the government(government owned fixed asset management manual, 2007;5)` lack of accountability ,responsibility , performance measurement and record keeping are the problems observed in fixed assets management of public sectors in Ethiopian federal government (Tadewos 2009:82-83). In this connection public procurement and property administration agency indicates that public bodies/ sectors do not much emphasis for fixed asset management and asset management is not implemented as per proclamation. Directive and manual (public procurement and property administration agency newsletter, published on, May 2012).Likewise in SNNPR state, public property management is inefficient and incomplete recorded maintenance for fixed asset, warehouse problem and lack of physical verification of asset was indicated as major limitation of public sectors working in Gurage zone Endegagn woreda finance and economy office (SNNPR government office of auditor general annual report, 2019, p. 3). There for lack of follow up fixed asset administration, maintenance, disposal, recording and transferring ways from these factors many public asset easily damaged, expired date like farming fertilizer, animal drug, extravagancy etc. However, the major factors that impede public sectors to effective and efficient management of fixed asset were not clearly identified in the report, thus the study was focus on investigating the practices and challenges of fixed asset management of Gurage zone Endegagn woreda finance and economy office.

1.3. Research Questions

1. How much effective the practice of fixed asset management (plan, use and maintenance and disposal) in Endegagn Woreda Finance & Economy Office?
2. What factors affect fixed asset management practice of Endegagn Woreda Finance & Economy Office?

3. What potential challenges are confronted in the practice of fixed asset management of Endegagn Woreda Finance & Economy Office?

4. What is the impact fixed assets management practice on the performance of Endegagn Woreda Finance & Economy Office?

5. How to resolve existing problems associated with fixed asset management of the office?

1.4. Research Objectives

1.4.1. General Objective

The general objective of this study is to assess the practices and challenges of fixed asset management of Gurage zone Endegagn woreda finance and economy office.

1.4.2. Specific objectives

Under the umbrella of general objective stated above the study has also the following specific objective;

1. To explain fixed asset utilization practices of Endegagn Woreda Finance & Economy Office.

2. To identify factor that affect effective fixed asset management of Endegagn Woreda Finance & Economy Office.

3. To find out the practical challenges that can influence the successful management of fixed assets in Endegagn Woreda Finance & Economy Office.

4. To identify the impact of existing fixed asset management system up on the operations of Endegagn Woreda Finance & Economy Office.

5. To indicate the possible strategies to relive existing bottlenecks associated with fixed asset management system of the organization.

1.5. Significance of the Study`

The findings of this study will be valuable in indicating the extent of public fixed asset management in public sectors in the study area. Besides, it will provide possible options on how to control and manage public fixed asset effectively and efficiently so as to minimize and safeguard public resources, the research will also indicate various opportunities which improve

the fixed asset management. The study will generate evidence which can be used by the government as a reference for policy dialogue and formulation in area of fixed asset management practices, cycles and principles. This study will also help to conduct similar research in government, non-government and private organizations both in economic and service sectors. Finally, the study can be also used as reference material for researchers who want to conduct further study on the issue under investigation.

1.6. Scope of the Study

All government organization need effective fixed management systems. However, this study was focus only in SNNP Gurage zone Endegana Woreda Finance & Economy Office public fixed asset management which comprises asset utilization (fixed asset handling usage and maintenance).Moreover, the study was not cover all sectors in the woreda and town administration sector offices due to this fact the outcome of the study may not represent another sector. The study describes current practices and challenges fixed asset management.

1.7. Limitation of the Study

The major limiting factors of the study would be lack of secondary sources of data and lack of well organize material get on the time from office. This is because there is no research work done in the area so far. Due to the basic fact that the subjects of the study only account for a limited proportion of the total public sectors in Gurage Zone Endegagn Woreda finance and economic office. The generalizability of the results may be obtained from this study may be limited.

1.8. Operational Definitions of Key Terms

Management: is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals and can co-operate towards attainment of group goals”.

Fixed Asset Management: is an accounting process that seeks to track fixed assets for the purposes of financial accounting, preventive maintenance, and theft deterrence.

Fixed Assets: are tangible assets held by an entity for the production or supply of goods and services, for rentals to others, or for administrative purposes. Fixed asset is define fixed asset as they are many things to an item that has a certain useful life and tangible asset used to long

period of time. It is used to operation and has useful economic life, these are furniture, computer, heavy equipment, vehicles, ship, air craft, building, road, bridges etc.

Disposal means “to position something in a suitable or acceptable position, or to place something in a place where it is preserved after it has come to an end or ceased, or to be independent of some things that are not needed.” Furthermore, it refers to the process of transferring property or items to another person (natural or judicial) through sale or other ways, or the act of getting rid of undesirable materials by disposing of (burning or burying) for monetary gain.

Maintenance; The provision of support or repair of assets. Maintenance is also regarded as an investment because resources are expended now to do maintenance in order to save money or obtain greater benefits in the future. To if the resources are not spent. However, despite this opinion maintenance is generally separated from “true investment” because it is matter of restoring and old function or keeping up an old function.

Accounting classifications of fixed assets accounts are as follow (Heintz& Parry, 2002)

1. *Property*

Land- A fixed assets account that reflects the acquisition value of land and the rights to land owned by the organization. It includes all land held in fee simple and all rights to land that have no termination date.

Buildings- A fixed assets account that reflects the acquisition value of permanent structures owned by a business to house persons and property.

2. *Plant*- A fixed assets account that reflects the acquisition value of plants used to provide the services of utilities, including both the building and the equipment

3. *Equipment*- A fixed assets account that reflects the value of tangible property not permanently affixed to real property, used in carrying out the operations of the business.

Controlled Assets: All non- consumable items with a value of less than "Amount and a useful life of a year or more, but need to be controlled as regular fixed Assets because these items are considered to be highly susceptible to theft or misuse.

Location: Refers to the current physical location of assets.

Asset Number: Is the number assign to an asset as soon as it is registered it. Can be done with a barcode system.

Cost: The real value of assets after depreciation.

Time or date of acquisition: Time evaluated in months or years of the initial Purchase of the asset, date of acquisition.

Insurance: Coverage by contract whereby one party agrees to guarantee another against a specific loss.

Inventory: The act or process of making an inventory, or the period of time when this is done.

Depreciation: The lessening of price or value of an asset over time.

1.9. Organization of the Study

The research was organized in to five chapters, chapter one deals with introduction, Chapter two is review of related literature, chapter three deals about research methodology, then the fourth chapter focuses on data presentation, analysis and interpretation. The last chapter includes summary major finding, conclusion and possible recommendations.

CHAPTER TWO

LITERTURE REVIEW

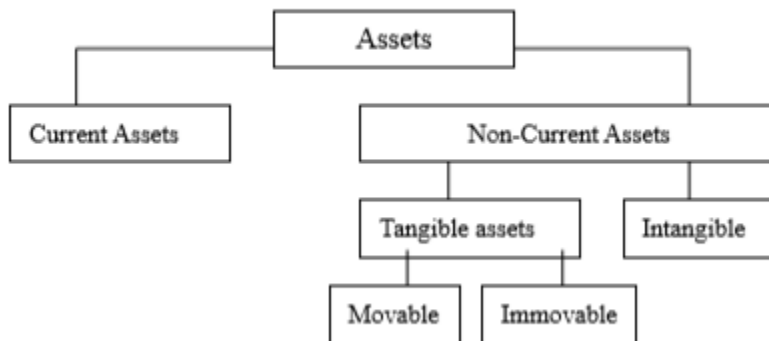
2.1. Concept of Fixed Asset Management

The reform processes in the public sector urge the definition of the use of public assets and measure of the outcomes. If the experiences of the developed countries are to be followed, we support by market efficiency principle, good government, which should be guided by market efficiency principle. Good government should be conducted in line with the development goals and should be used to achieve welfare for all the citizens in country (Grubisic et al, 2008, p.106). According to Jones and white (2008,.5) asset management is structured process that seeks to ensure best value for money from property is understood as the process of making and implementing decisions about property acquisition, use/ management, and disposition (kshsnobs, 2008 p.1). Similarly, Christ Lloyd (2010.p.3) defines asset management as the systematic and coordinated activities and practices through which an organization optimally and sustainably manages its assets and asset systems, their associated performance, risk and expenditures over their life cycle for the purpose of achieving its organizational strategic plan. While GOFAMM (2007, p.15) defines as the management of government property is the process of decision-making and implementation relating to the acquisition, use, and disposition of real property. In the government property guideline No6/1991, government property is defined as fixed assets and stock owned by the FGE excluding money and Land. The definition covers those assets obtained by borrowing or any other reason and is under the custodianship of the public organizations. Management of government owned fixed assets is mainly concerned about the duties of care control and effective use of the fixed. The acquisition and disposition of fixed asset is part of the stock management system.

2.1.1. Public Asset Classification

Assets are categorized into current assets (including cash and cash equivalent, short-term investment, accounts receivable, tax receivable, inventory, and prepaid expenses), and non-current assets, including long-term investments and fixed assets (like land, buildings, equipment, furniture, tools, infrastructure, public housing projects, and water distribution systems) (Viljoen, 2009)

Figure 1 Public Asset Classification



Source;Ethiopia Federal Government public fixed asset

2.1.2. Public Asset Management Objective

Public sector encompasses all of the government agencies that provide the common goods and service that taxpaying public needs this segment include federal state country city and municipality that carry out the mission of government (Brady, 2001, p.9).

According to Grubic et al (20009, p.338) each country has its own public management objective and public asset management practice. Despite these difference there are some common precondition that are considered necessary for conducting public asset management activities efficiently. These are public asset registry classification recognition and measurement public assert portfolio construction institutionalization and public asset management and cost and outcomes measurement.

According to Jone and white (2008, p.2) and Brady (2001, p.1-2) the benefits of property assert management are improving accountability service management risk management and financial efficiency. Therefore Christ Lloyd (2011, p64) successful asset management requires the integration of effective property assert management are improving accountability service management risk management requires the integration of effective processes across all aspect of business to ensure that bottom- up plans and top-down business objectives are aligned over the long term Brady (2001, p.1-2) also agrees good fixed asset management establishes accountability and responsibility. Additionally according to Christ Lloyd(2011,p.74) good fixed

asset management program will facilitate the physical inventory of fixed assets advance the establishment of insurance condition and comply with federal state or local policy. Conversely poor asset management practices can leave organization exposed to significant risks loss of reputation and failure of the business. Similarly accordant to kaganova (2011,p39) argue that the absence of necessary improvement to asset management practices one could foresee loss for taxpayers of substantial part of the public wealth fore she suggest that good management of government property asserts is highly technical area and requires professional real estate expertise along with knowledge of specific tools such as PPPs.

Finally effective asset management aims to maximize uptime /productive capacity maximize accuracy /quality levels minimize costs per unity produced minimize the risk prevent safety hazards to employees and the public and conform to national and international regulations on due diligence (Campbell, Jardine and Meglynn. 2011. P.24), therefore Public asset management should be conducted in line with the development goals and be used to achieve welfare for all the citizens in a country (Grubisicet... al 2008, p.1050).

2.1.3. Organizational Structure of Fixed Asset Management

According to Jones and white (2008, p.51-53) good organization arrangement, culture and structure are a prerequisite to successful assets management. Although the organization structure for asset management within any organization may greatly it is worth highlighting a number of key recommended roles and responsibilities. The structure must place a senior manager to be responsible for assets management across the organization and an asset champion must exist at board level to whom the senior management responsible for asset management report.

Similarly in Ethiopia, different public bodies and units or committees have been given different responsibility in managing public properties. According to GOFAMM (2007, p.19-27) MoFED is the public sector that is responsible for issuing directive for the custody and control of property and for consolidating financial reports. Regardless of the different organization structures that public sectors have, there should be FAMUS responsible for the management of public organizations is carried out at two points for two significantly different. The first point to include the value of the fixed asset in the asses registers. The second is when the asset is to be disposed off. Therefore, the simple structure identifies the key roles and responsibility that need to be

present to facilitate a successful corporate approach to asset management. Clearly there are also many wider organizations (Jones and white, 2008.54).

2.1.4. Fixed Asset Life-Cycle Management

According to Kirkpatrick (2017, p.51) ideally, a local government should have asset policies and procedures that cover all aspects of asset management which includes general accounting procedures: planning: acquisition: operation and disposal.



Source: (Ngwira and Manase, 2016, p.137) Public sector Property Asset Management.

Figure 2.2. Life Cycle Asset Management Strategies and option

2.1.4.1 Fixed Asset Planning

The benefits of good asset management plan are it aligns asset objective with organizational objectives. it ensures overall efficient and effective use of asset, it provide communication and future decision- making, and it bring clarity to the way assets are managed (Jones and whit, 2008, p.9) and it spells out sequence of steps that makes good policy sense thus a detailed understanding of the nature, extent, and use of all asset controlled by government agency is the first step to properly manage the assets (Habit et al. 2010, p.51) in accordance with Kirkpatrick (2007, p.51) in the absence of an asset management plan, different problem can occur such as poor use of assets, failure to rationalize surplus asset, significant variation in operating cost

between locations, inadequate management information, deteriorating physical condition of stock, and/or continuing maintenance of uneconomic assets.

According to Koopmans and Avert (2006, p. 198- 199) possession of usable information is an integral part of the organization strategic planning. This information includes physical lives of assets, expected amount and timing of major capital and maintenance expenditures, asset replacement value and market value. Having that information enables asset managers to influence organizational decisions that affect their operations with access to financial information.

2.1.4.2 Acquisition of Fixed Asset

According to Australian Motional Audit Office Better Practice Guide on the Strategic and Operational Management of Assets (2010, p.37-38) the program delivery requirements may be best met by the outright acquisition of new assets that will also meet the efficient and effective value for many considerations, asset acquisition options will have been considered and a decision on asset acquisition will have been determined through the strategic capital management process. And business plan will have developed to assess alternative including non-asset solution.

2.1.4.3 Disposal of Fixed Asset

According to Grub Sic et al., (2008, p.106) public assets are managed by professional. Carefully valued and their disposal is estimated according to the functions they have in providing public service in some developed countries (for example, Norway and Alaska) disposal of tangible capital assets that are moveable personal property is the responsibility of the manager of purchasing service unless delegated to operating departments. Department heads should notify the manager when assets become surplus to operations (Kirkpatrick, 2007, p.51). Disposal of fixed assets is the withdrawal of assets from use upon the completion of its useful life (Obaidullah 2006 cited in Kodua Mensah, 2014).

2.1.5. Fixed Asset Depreciation

Fixed assets are company's tangible assets that are relatively durable and used to run operations and generate income. They are not used to be consumed or sold, but to produce goods or services. Due to the long-term use, the value of fixed assets decreases as they age. Some examples of depreciable fixed assets are buildings, machinery, and office equipment. Land is not one of them, because it has an unlimited useful life and it increases in value over time. In short,

depreciation is the allocation of the acquisition cost of a fixed asset caused by a decrease in its value. (Kanya March 26, 2013).

2.1.6. Principle of Fixed Asset Management

The Institute of Asset Management, (2014) has developed a set of seven vital identify in principle that underlie all truly effective asset management systems, according to the IAM, good asset management must be encompassed (1) Holistic; Looking at the enormous picture is basic in asset management. Instead of taking a compartmentalized approach, asset management must consider the combined suggestions of overseeing everything together. This implies that an organization must consider the combination of its distinctive asset kind. An organization must see at how assets are practically interdependent and what commitments they make inside their own asset systems. (2) Systematic: Accuracy and strategy are vital when it comes to asset management. In arrange to be viable, asset management must be connected inside a highly organized system. This permits decisions and activities to be steady, repeatable, and straightforward. (3) Systemic: In order to properly establish total net value, assets must be examined within their system's context. If assets are only examined in isolation, then it is difficult to correctly assess and optimize their performance, cost, and risks.

(4) Risk- based: Making risk transparent is essential to an organization's survival. Enterprises that do not adequately account for risk in their asset management threaten not only the assets themselves, but the organization's overall operations. Thoroughly identifying potential risks and their associated costs and benefits will help organizations to set priorities and allocate their resources and expenditures appropriately. (5) Optimal: Optimization or seeking and implanting the best possible value compromise between competing objectives and factors, is the ultimate goal of effective asset management. Asset management considers the costs, benefits, risks, and performance aspects associated with assets over their life cycle and balances them out to make decisions. How the assets should be used. (6) Sustainable: An organization embraces good asset management; they are also embracing long-term thinking -something that is not always a business priority. However, in order for assets to give their best to an organization, they must be sustainable managed. This implies is that asset management must consider the long-term impacts of short-term exercises and guarantee that future requirements and obligations (such as progressing frameworks execution, societal obligation, and environmental or economic

sustainability) are adequately provided for. (7) Integrated: is all asset management principles will be fully effective only if they are value working together. Integration means that asset management is more than just the sum of its principles. It's recognition of interdependencies and combined effects, as well as the need for a joined- up approach to delivering optimal.

2.2. Empirical Review

2.2.1. Drivers of Asset Management and Disposal Reforms in the Public Sector

During the past two decades or so, it has become more noticeable that there has been an increasing trend with an international dimension towards the adoption of fixed assets management approaches by public sector organizations. Two types of reform drivers are behind the adoption of fixed assets management practices by public bodies. The first set relates to internal factors associated with property management practices prior to the introduction of assets management. The second concerns the external forces that have impacted public bodies and which have forced such bodies to give greater attention to the way they manage their fixed assets. (Kaganova, 2006 cited in Ngwira and Manase, 2016).

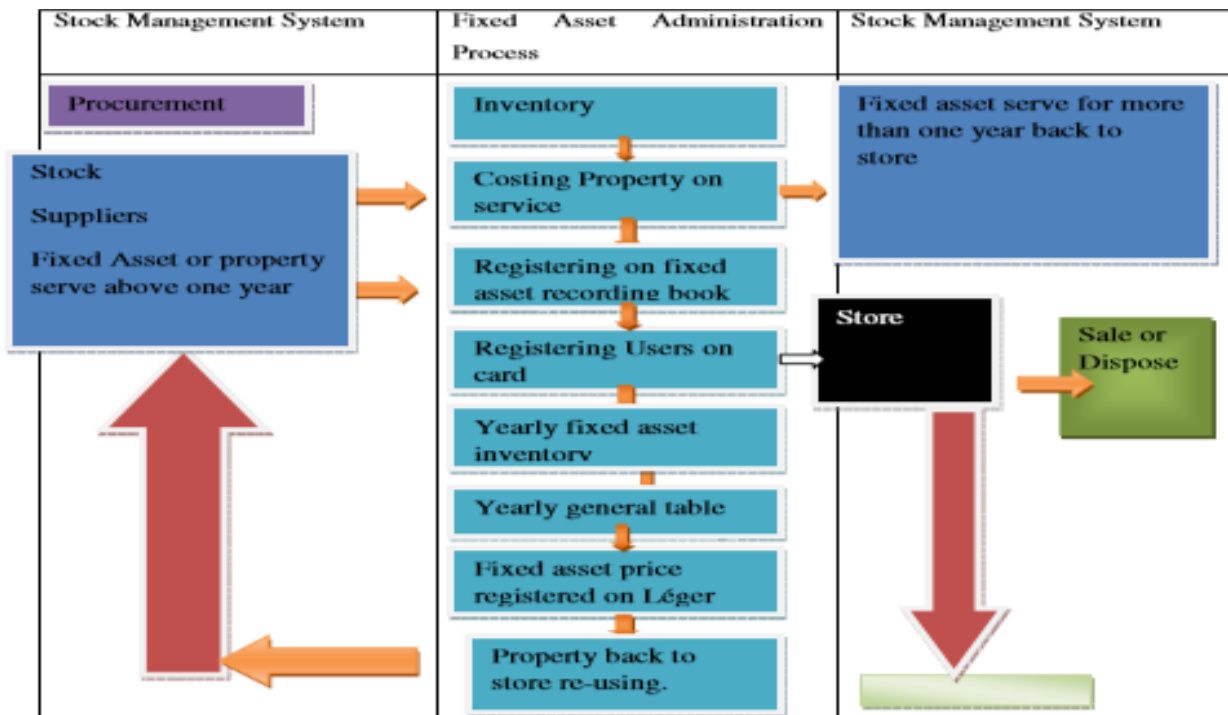
2.2.2. Practice in Fixed Asset Management and Disposal

South nation, nationality, and people regional state Procurement and Property Administration Proclamation Number 146/2012 define fixed asset as tangible and useful economic life of more than one year. Similarly, Ethiopia Federal Democratic Republic Government Procurement and Property Administration Proclamation Number 649/2009 defines fixed assets – as tangible assets costing Birr 1000.00 or more that is in operational use and that has a useful economic life of more than one year, such as furniture, computers, heavy equipment, vehicles, ships and aircrafts, buildings, roads, sewers, bridges, irrigation systems, dam. According South nation nationality regional state Property Administration proclamation No 146/2012 fixed assets are those costing Birr 1000.00 or more and have useful life of more than one year. Where are assets worth less than Birr 1000.00 but having a use full life of more than a year categorized? Examples could be paper punchers, staplers, pocket calculators, paper tray, chairs, etc. The existing fixed assets registers maintained by the PBs are incomplete. The cost of fixed assets is treated as periodic cost. This means that the full cost of the asset is considered as expense in the current fiscal year even if economic benefit of the asset is carried over to the next fiscal years. Because of this treatment, it was not customary to record the value of fixed assets in the fixed assets records. As

a result, many of the fixed assets have no value attached to them. The new fixed asset register that this manual explains is designed to incorporate values of fixed assets. Government owned fixed asset management manual South Africa, public sector asset management Africa, public sector asset management (GOFAMM) December (2007).

2.2.3 Fixed asset Management Practice in Ethiopia

Ethiopia has been adopting new working procedure named business process reengineering (BPR) since 2008/9 to improve service delivery in terms of time, cost and accessibility to bring sustainable development and global competency. However, adopting new work procedures is not enough by itself; it has become important to improve increasingly the existing financial, fixed asset procurement and management of the country so as to cope up with the changing world. Moreover, the inputs gained from the business process reengineering and the accommodation of new working procedures that can facilitate the duties of financial institutions have made it necessary to make improvement in the finance, fixed assets procurement and disposal system of the nation (MOFECO), [http:// www.mofed .gov.et](http://www.mofed.gov.et) (website).



Source: Ethiopia Federal Government Property Administration (2008)

Figure 2.3 Government Owned Fixed Asset Management system

2.2.4 Disposal Planning

Fixed asset disposal planning involves a detailed assessment of those fixed assets that the asset strategy indicates are no longer effectively meeting their service delivery required at the lowest long term cost. This assists practice and challenges to identify for fixed asset disposal, those redundant fixed assets that might otherwise reduce efficient and effective service delivery. (GOFAMM, MOFED, December, 2007).

All Public Bodies are required to prepare annual fixed asset disposal plans as part of their total asset management strategic planning. Fixed asset disposal planning involves two separate and distinct elements; the detailed assessment of fixed assets identified as surplus followed by an analysis of the physical disposal of fixed assets. (GOFAMM, MOFED, December, 2007).

Disposal planning links with service delivery by the following five stage process. (MOFED, December, 2007) Fixed assets identified of surplus to service delivery requirements are assessed in detail.

- The advantages to government, agency and the community in divesting fixed assets are assessed.
- Opportunities for increasing fixed asset value are identified.
- Fixed assets disposal requirements including probity considerations are identified.
- Implementation of fixed asset disposal plan and performance monitoring are in place.

2.2.5. To Registers the Value of the Fixed Asset in the Fixed Assets Record

Fixed assets are registered in F.A.R. when the value of fixed asset is not registered at the time of acquisition, loss with other factors or update the value of fixed assets register, i.e., Subsidiary records when fixed assets are issued from store to users, returned from user to used-stock store and keep the necessary records about the history of these assets decline. (GOFAMM, MOFED, December, 2007). When the purpose of the valuation of fixed asset in the fixed assets register is very complete and accurate estimation of cost is not needed. This is because, the purpose is to keep the asset and not to dispose and hence there is no loss of cash inflow as a result. In addition, if the value of an asset is understated in the register, the error corrects itself when the asset is fully depreciated and stated at book value. Thirdly, valuation of assets owned by the Government

becomes an enormous task; if the valuation committee is to find accurate value, rather than fair estimate, of the asset the entire task of keeping complete register might not be accomplished successfully. (MOFED, December, 2007).

2.2.6. When the Fixed Asset is to be Disposed

A fair estimate of the cost of the fixed asset should be given as a starting point for bidders and auctioneers. When the valuation is for sale of the fixed assets to outsiders, there is an immediate loss of cash flow if the value of the fixed asset to be disposed is understated. Hence, care should be taken when dealing with valuation for fixed asset disposal purpose. (MOFED, December, 2007).

2.2.7 Fair Value at Initial Recognition

"When an asset is acquired or a liability is assumed in an exchange transaction for that asset or liability, the transaction price is the price paid to acquire the asset or received to assume the liability (an entry price). In contrast, the fair value of the asset or liability is the price that would be received to sell the asset or paid to transfer the liability (an exit price). Entities do not necessarily sell assets at the prices paid to acquire them. Similarly, entities do not necessarily transfer liabilities at the prices received to assume them". In many cases the transaction price will equal the fair value (e.g. that might be the case when on the transaction date the transaction to buy an asset takes place in the market in which the asset would be sold)". IFRS standards 13 paragraph 57, 2016. When determining whether fair value at initial recognition equals the transaction price, an entity shall take into account factors specific to the transaction and to the asset or liability. If another IFRS requires or permits an entity to initially measure an asset or a liability at fair value and transaction price is different from fair value, the entity shall recognize the resulting gain or loss (a) in profit or loss, unless the IFRS provides otherwise". Price: "Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique". The price in the principal (or most advantageous) market shall not be adjusted for transaction costs and Transaction costs do not include transport cost. IFRS standards 13 paragraph 57, 2016.

2.2. 8 Challenges of Fixed Asset Management in Public Sector

All public sector organizations faced similar problems in managing their property assets. These included a lack of central policy framework, fragmented management of public property assets, economic inefficiencies associated with public property, lack of information needed for managing property portfolios, and a lack of transparency and Accountability (Audit Commission, 1988a cited in Ngwira and Manase, 2016). Only in The past two decades or so have public sector bodies begun to understand the full Implications of managing their property assets. Up until the late 1980s and prior to the Adoption of assets management approaches to property management, Kaganova et al. (2006) cited in Ngwira and Manase (2016), observed that public sector organizations tended to take incremental change actions associated with property management. Initially, public sector organizations responded by questioning the processes associated with acquisition and disposal of real property assets. The questioning of processes was followed by interest on the part of public sector organizations in outsourcing services such as property sales and property maintenance. The focus on property management was principally targeted at those responsible for managing properties. This was a relatively Small group of staff relative to the overall public sector organization machinery and its associated range of activities. Kaganova et al. 2006 cited in Ngwira and Manase, (2016).

In recent years, Kaganova et al. (2006) cited in Ngwira and Manase, (2016) report that the public sector has come to appreciate the value of implementing broad policies that address the users of assets as well as property managers. The appreciation by public Sector organizations of the value of implementing such broad policies is a result of the Problems they encountered in managing property assets without such a framework, as Observed by CIPFA (2008) cited in Ngwira and Manase (2016), who state that: ‘in the past public sector organizations did not in any systematic way consider how property assets had been used and deployed. Issues about asset condition, assets fitness for Purpose, long term sustainability of assets, delivery outcomes, and how assets were Positioned relative to service user needs were hardly considered.’ The absence of a Strategic focus embodied in a broad policy framework for managing property assets in public sector organizations is emphasized by Gibson (1994), cited in Ngwira and Manase (2016) following a study reviewing reports highlighting the inadequacies associated with public sector property asset management. Gibson (1994) cited in Ngwira and Manase, (2016), concluded that the main criticism of these reports was that there had been no Strategic approach to management

of public property assets. The lack of strategic Approach was further observed by the Audit Commission (2000 cited in Ngwira and Manase, 2016), commenting that: ‘across the public sector, there appears to be a long Way to go before it is general practice for property assets to be routinely managed in a strategic fashion. Property is a resource which, alongside others such as ICT and staff, needs to be actively managed at both service and corporate levels.’ It is now recognized that effective asset management involves developing a broad policy framework for managing property assets that addresses asset users as well as property managers’ needs.

According to Kaganova et al. (2006) cited in Ngwira and Manase, (2016), an asset management framework for managing public sector organization assets helps to achieve efficiency and effectiveness through increasing the efficient use of facilities, minimizing operating costs, locating offices and services in functional and not necessarily in prime areas; and by knowing the highest and best use of assets among other benefits. One of the consequences of not adopting an asset management approach for managing public sector organization properties was that the management of such properties tended to be fragmented. Fragmented management, according to Kaganova et al. (2006) cited in Ngwira and Manase, (2016), involved respective departments of public sector organizations becoming involved in managing, financing and using property assets in the Case of the majority of public sector organizations in the United Kingdom. Fragmentation implies that criteria unrelated to asset management effectiveness or efficiency split public property into many portfolios, and these portfolios were managed quite independently. Even if some departments of public sector organizations managed these properties well, the overall result was that the performance of property assets and management practices tended to be Suboptimal. In addition, as a result of fragmented management, public sector organizations experienced economic inefficiencies associated with the performance of their property assets. Such inefficiencies included physical and economic underutilization as well as insufficient maintenance and repair. Worse still, as a result of fragmented management, public sector organizations could not promote and implement policies that encouraged joint occupancy of properties with partners or other public agencies. Furthermore, they could not readily exploit surplus or underutilized property as there were no mechanisms to transfer property between committees or to encourage the identification of surplus property for disposal. This was due to the lack of asset management approach. The weaknesses that emerged as a result of the fragmented management manner in which public sector organizations managed their property

assets led to a number of specific problems. According to the Audit Commission (1988a cited in Ngwira and Manase, 2016), these specific problems included: a) Public sector organizations not having adequate information about their property. The fact that public sector organizations did not have adequate information about property assets meant they could not make informed property management decisions. b) There were no incentives for users to efficiently and effectively manage the properties they occupied as they perceived little benefit in surrendering ‘their’ vacant or underused properties either for disposal or use by other service areas. c) Public sector organizations failed to carry out regular property reviews, which are necessary if property is to be managed as a dynamic rather than as a static resource. d) The opportunity costs of holding property were not recognized, meaning that properties were not put to their highest and best use. e) There was a lack of coordinated maintenance strategy, resulting in maintenance budgets being used for what public sector organizations saw to be more pressing needs, with few local authorities carrying out full condition surveys of buildings to assess the scale of their maintenance backlog. f) Public sector organizations did not have effective financial and managerial procedures to aid proper accountability (Audit Commission, 2000). g) Evidence that in most public sector organizations there was political apathy and opposition to change property management practices. h) Public sector organizations did not challenge the need for owning property or did not review the manner in which property services were organized and obtained. As a consequence, most public sector Organizations retained and maintained buildings that were in the wrong place, of the wrong size, or were otherwise unsuitable for their existing use.

Developing countries especially Africans have faced obstacles in public sector functioning they have not yet achieved a satisfying of efficiency in public sector management in general and in public asset management in particular (Grub sic et al 2008,p.105).Some literatures indicate managing public fixed asset management is challengeable due to many factors unlike private asset management, among others kaganova (2008,p.1) determines that until very recently, public property asset management had been very non transparent, inefficient , and not sufficiently, integrated in public financial management framework local government are confronted by a number of challenges , those challenges are: absence of an institutional and legal framework : nonprofit principle assets : the complexity of local government objective unavailability of date for managing public property and limited human resource.

Mardiasmo Stamford and Barns (2010, p.18) conclude that infancy of reform, lack of human resource, lack of incentive, incomplete rating program and lack of government attention are challenging factor in fixed asset management. according to kaganova (2016,p.3) a common systemic problem is that principles of good financial management are not applied to public property assets, except in a few most advanced countries (Australia new Zealand).As a result , the typical: property asset management weaknesses are property related expenses are not monitored in systematic way, the revenue potential of public properties underused and market value of assets is not recognized likewise, the research study indicated lack of accountability responsibility, performance measurement and record keeping are the problems (observed) in fixed asset management of public sectors in Ethiopia federal government (Toddies, 2009, p.82-83). According to grogram the cost data were not seriously kept, in addition fixed assets under the custody of one public organization might not be obtained for cash, finding documentation to arrive the cost of such assets is unthinkable.

Therefore, in implementing a public asset management framework, it is important for local government to understand the challenges that they will face and an understanding of the challenges will assist in developing effective strategies (Habit et al., 17-18).

Addisalemet al., (2014) in their research work “an Assessment of Fixed asset Management” they pointed the researchers that Fixed assets management is an important accounting process that seeks to track fixed Assets for the purpose of financial accounting, preventing maintenance and theft deterrence. Fixed assets are assets that has a useful economic life of more than one year. Improper authorization of fixed assets, improper installation and disposal of fixed assets and low physical control of fixed assets may also result in business failure and hence it may hinder the organization’s long run dreams. The ineffective utilization of fixed assets further contributes to the above stated problems of fixed assets.

2.3. Conceptual Framework

Conceptual framework is a group of concepts that are broadly defined and systematically organized to provide a focus, a rationale and a tool for integration and interpretation of information usually expressed abstractly through word models (Kothari 2004). Conceptual framework of this study explains relationship between variables. In this study institutional (organizational) framework, legal framework, management, fixed asset management planning

and fixed asset management stages are factor that affect practices and challenges of fixed asset management. The effectiveness and efficiency of fixed asset management depend on management, institutional framework, legal framework, human capacity building, fixed asset management planning and fixed asset management stages (plan, acquisition, maintenance and disposal). Generally the strength and weakness of fixed asset management depend on planning, usage, maintenance and disposal.

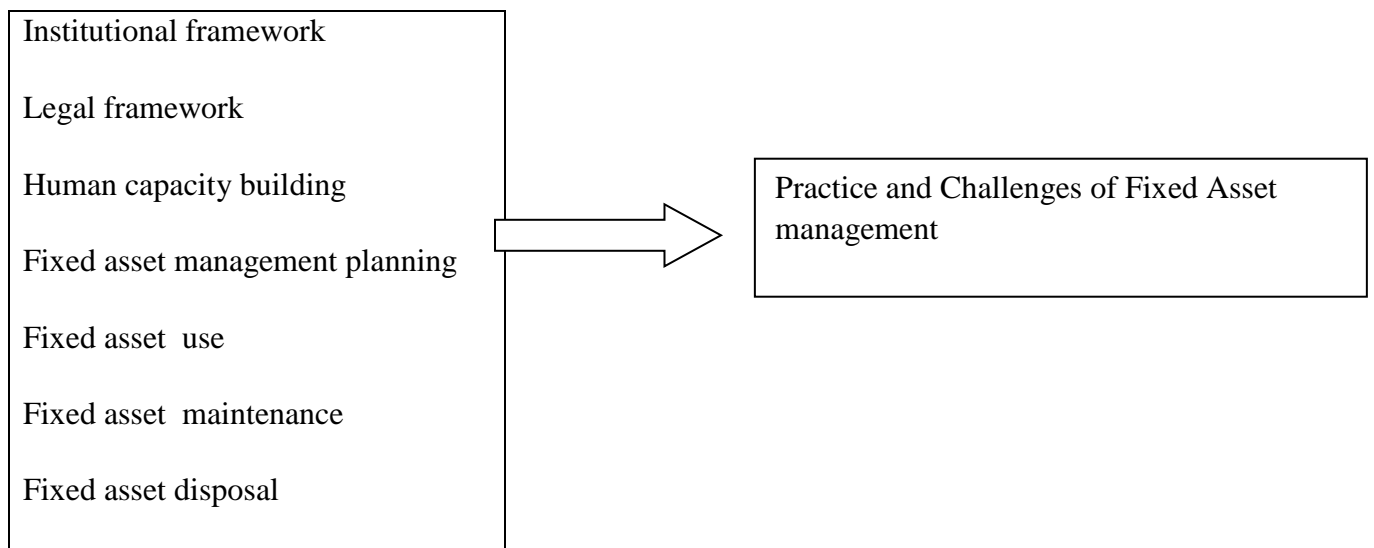


Figure 2.4 Conceptual Framework of Practices and Challenges of Fixed Asset Management

Source; Researcher, 2022

2.4. Literature Gap

On a world scale, there are two groups in fixed asset management practices in the public offices. The first groups are those countries that are already designed and implemented a developed reform in public fixed asset management. The second groups are those countries just starting to develop a system of public fixed asset management. In most developing countries fixed asset management practices are still in their infancy or embryonic stage. Fixed asset management is the Process of making and implementing decisions related to acquisition, management, and disposal. Fixed asset management is becoming a world concern as its impact cuts across every organization and individual. According to the federal audit office major findings during the audit report during the property registration week consultative forum on March 17, 2021, which is

prepared by the public procurement and property administration agency there is the various problem in fixed asset management and public property and that require further work. By its character, finance and economic office are different from other public service providing organizations because in finance and economic office there are hung amount of fixed assets like different equipment, old car, computer, motor vehicles, furniture, bridges, sewers and other properties so they need proper management systems. At present, there is no available information that describes the actual practices of handling and management of fixed asset in the selected sector. If there is no proper management of fixed asset, the mission and the day-to-day activities of the finance and economic office may not be going well.

According to the literature review, the researcher identifies the following gaps i) there are limitations on research conducted concerning fixed asset management practices and challenges, and the researchers also suggested further research and the need for a more study on the issue of practices and challenges in management of fixed asset. ii) In the past decades, limited studies have been conducted in this area of Ethiopia. As per the researcher's level of understanding, there is no research study conducted on the topic with a similar target by taking the finance and economic office service providing institutions in the Gurage zone.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Description of Study Area

Location, area land administrative division of Gurage zone Endegagn woreda is one of the woredas in the zone. It has 18 kebeles of which, 17 were rural kebeles and the remaining one is town administration (Dinkula town) which is the woreda capital city, the temperature a verge of the woreda is 10.1-17.5⁰C a according to Endegagn woreda Agricultural development office finale report 2013E.C. The total population of the woreda was 61807 which was projection based on the national census of the Ethiopia 1999E.C. It is located about 230km from Addis Ababa, from SNNPR 240km and from zone 73km according to Endegagn woreda Transport and Development officereport2013E.Candthe woreda found between east geto woreda, west amka woreda, north enuraner woreda, and south merabeasernate (chief Administrative office report of Endegagn woreda council 2013 E.C).

The weather condution Endegagn woreda dega and winadaga , the economic activities of asociety agriculture and the rest are trade and others. Mixed farming is a common practice prevailing in the woreda as a result the livelihood of the rural population is depending on coffee, chat and crop production and livestock rearing. The current land use is predominantly smallholder agriculture with an average landholding size of less than one hectare per household. The major crops include enset, chat, wheat, bean and potatoes according to Endegagn woreda agriculture office 2012 E.C.

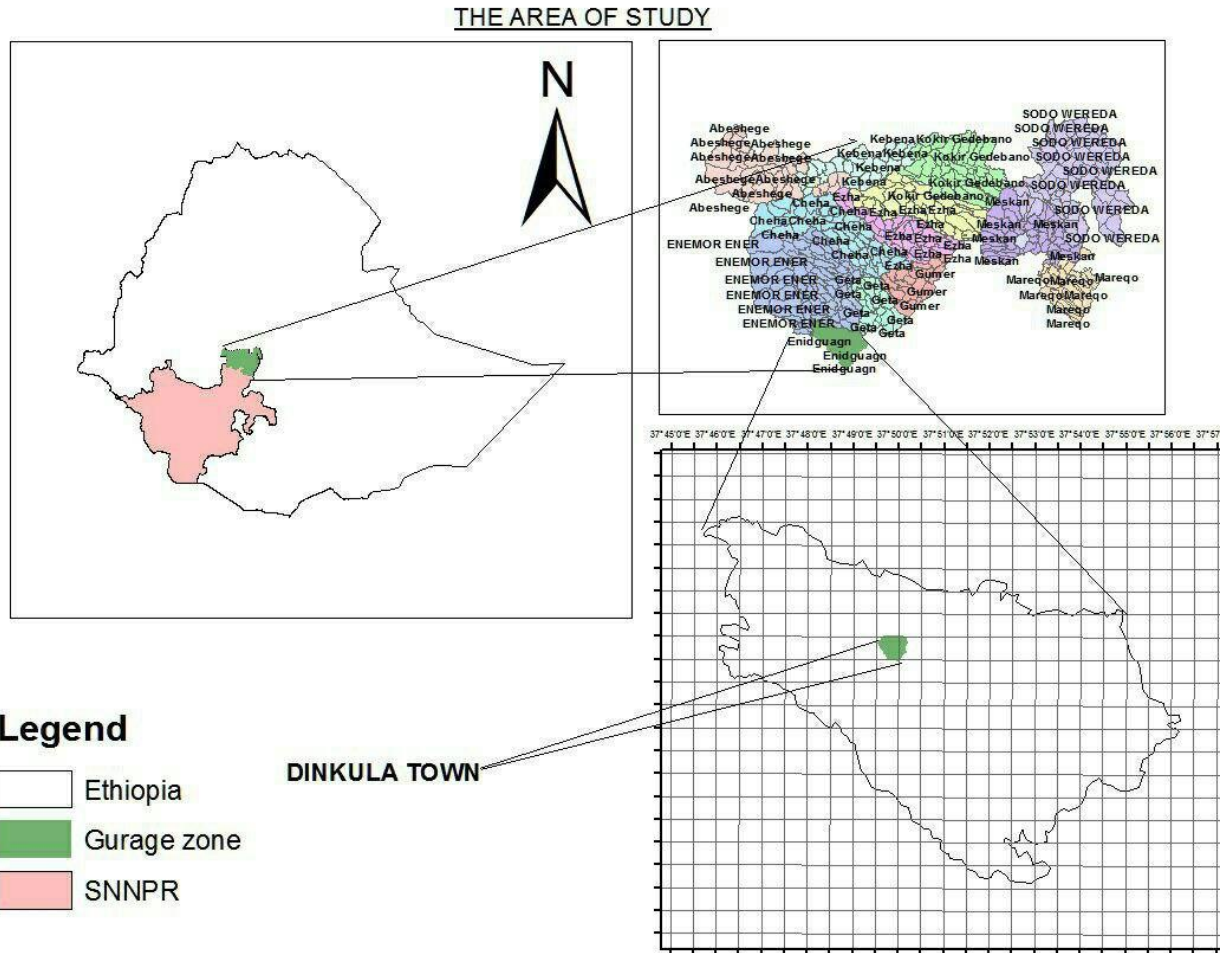


Figure 3.5 Map of Study Area

Source; Endegagn Woreda Plan commission office

3.2. Research Design

The research was conducted by using descriptive research design, using this type of research design enable the researcher to assess and describe the present situating as it is without having any control over other variable, it also helps to describe some aspect of a phenomenon, i.e. ... the status of governmental fixed asset in the study area, it can help understand atopic and lead to fundamental analysis. Descriptive research includes analyzes and fact-finding enquiries of different kinds and the major purpose of descriptive research is description of the state of affairs, as it exists at present. Therefore, descriptive study approach was employed in this study; because this type of research helps to describe and analyze the existing practices and challenges of fixed

asset management in the study area. It is appropriate method to answer questions concerning the status of the subjects under the study.

3.3. Research Approach

Research approaches are mechanisms of attaining research objectives. The approaches are adopted to achieve the best possible of the research objectives. Research approaches are also adopted based on the feasibility of the selected approaches. The common research approaches are quantitative, qualitative and mixed research approaches.

Mixed research is useful to capture the best of both qualitative and quantitative approaches and in these the researcher has also intended to assess detail features of fixed asset management practices and challenges in the institution. Research approaches are plans and procedures for research that span the steps from broad assumption to detailed methods of data collection, analysis, and interpretation. It contained a qualitative and quantitative component that enables the researcher easily to identify challenges and practices in management fixed asset the case of Gurage zone Endegagn Woreda Finance and Economic Office.

The variables of fixed asset management are planning, inventory, audit, control, maintenance, disposal, acquisition etc. Role of management factor that affect practices and challenges of fixed asset finance and economic office.

3.4. Target Population

The population is described as a group of elements or people to whom a researcher intends to apply (Aron & Coups, 2008)). According to Burns and Grove (1993), a population is defined as all elements like individuals, objects, and events that meet the sample criteria for inclusion in a study. The population of this study was Endegagn woreda finance and economic office selected by purposive techniques. The target population contains property administrators and store workers, auditors, purchasing directorate, responsible staff worker who are directly or indirectly participate in the property management activities constitute the population of the study.

3.5 .Sample Design

In this study non probability sampling technique and purposive sampling technique was applied. Purposive technique was used to select property administrator, auditors, purchasing, head finance and vice, store worker and all employees participate work process. Because the study describes

the current situation of the issue and forwards a possible solution for the problems identified related to fixed asset management practices in the institutions. Kothari (2004), states that descriptive design is concerned with describing, analyzing, recording, and reporting conditions that existed or exist.

3.6. Sampling Size

The respondent selected from finance and economic development Eight department five main and three supportive through all internal auditors, head of department, purchasing directorate, Store worker, property administration officer, head of sector chief and vice and staff workers who are directly or indirectly participating in the activities Endegagn woreda finance and economic office. There are 65 employees are working in the office and all participating in study area because help to reduce sample error and that much high total population. All employees selected as a population study area and using census method. Because this method is appropriate for the effectiveness of the research and help to get full information and sample size 65 employees study area.

There are several approaches to determining the sample size, using census for one of approach to use a population as sample. Researcher cost considerations make this impossible for large populations. Census model is attractive for small populations, a census eliminating sampling error and provides data on all individuals in the population due to this sample size researcher to use census model to achieve research objectives and questions.

3.7. Sources of Data and Type of Data

The choice of the method to use is influenced by the nature of the problem and by the availability of time and money (Cooper, & Schindler, 2006). In this study closed-ended and open-ended Questionnaire, personal interviews, and observation were employed to gather relevant information from the respondents. This study used both primary and secondary data sources. The primary data sources were from the sample respondent it was collected by distributing questionnaire, interviewing key informants and through personal observation .The secondary data sources was include available documents that help to understand the concepts of fixed asset management functions and its challenges such as books, Articles, official annual reports, government proclamations and regulation are included in this category.

The primary data are kinds of data that is collected from the data source without going through any existing sources. Secondary data on the other hand contain relevant data that has been collected for different purposes but from which the conclusion is valuable for the purpose (William Zikmund, 2012).

3.8. Data Collection Instrument

The data collection tools were questionnaire, interview, observation and document. Questionnaires was chosen since it helps to sources relevant information on option and attitudes in structured framework from respondent, it was prepared in to different groups of respondents.

To achieve broader result from options of respondents without restrictions and close ended were prepared to get general information from respondents. Interview was used to cross check the respondents with that of questionnaires and to support the information from gathered from questionnaire.

3.8.1. Questionnaire

Gathering of data, closed and open-ended questionnaires were developing and distributed to the respondents. The questions used in the questionnaires are five-point Likert scale type questions (scale, 5, strongly agree, 4, agree, 3 neutral, 2, disagree, 1, strongly disagree). The reason for using a questionnaire is more efficient in that requires less time, less expensive and responses are gathering in a standardize way, it is an objective type, certainly easy to tabulate. This method was used because it is simple and minimizes cost and required less time than others.

3.8.2. Key informant interview

Semi structure interview with the head of selected public body was conducted, it allows the investigator some degree of flexibility at the time of interviewing for the pursuit of unexpected line of enquiry that developed as the study progresses questions in the interview checklist was designed based on the review of related literature .The interview was the researcher as a data-gathering tool to secure important and in-depth information from some selected bodies that mean, the eight interview participants like developmental sector heads such as education, health, agriculture, road, water, administrative council, tax and trade and marketing sector heads.

3.8.3. Observation

Observational study simply describes the destruction of a characteristic of fixed asset situation ,data obtained under this method relates to what are currently happening on fixed asset condition which may give additional understanding for first research objective .more over this method is independent of respondents willingness to respond and as such is relatively less demanding of active cooperation on the part of respondent .The observation was used to gather additional information for cross-checking the opinions of the interview respondent. And it can help the researcher to pick pictures or photos.

3.8.4. Documentary sources

The other method of data collection instrument through the use of official documents or personal documents as the source of information is documentary sources. These sources consist of readily available information and report whose data may be used by researchers for their studies. Secondary data were obtained from external sources such as the internet, journal, organization audit report, directives, manuals prepared for training purposes, and other published and unpublished documentation sources.

3.9. Pilot Test

Researcher tried to prepared pilot question and interview question evaluated by expertise, colleges and a divisor, later on to combine feedback to prepare appropriate item and questionnaires' the respondent.

3.10. Data Analysis

Both quantitative and qualitative method of data analysis was used to analysis the data obtained from primary and secondary sources. In quantitative method gathered data through interviews, observations and questionnaire was examine and numbered then, the data obtained from each group were arrange and organize in to tables and figures data were expressed in the percentage, mean, standard deviation and frequency. The collected data were analyzed using statistical package for social sciences (SPSS) version 26. While qualitative data were analyzed by using narrative approach. Finally, study summarized and presented using descriptive method.

3.11. Ethical Consideration

During a research study involving human subject can include giving the appropriate level of respect given to individuals participating in experiment response must be confidence. The

researcher can promise and justice applied to those receiving benefit of the experiment/data/ used to for study the research. Another issue there is no any risk of the respondent due to participating response, after participation work place, the population and office. The collected date used for research prepared full filament our thesis graduating and supporting letter issues from Wolkite University College of governance and development studies. The data was not transfer to third person or not used for any other purpose other than academic.

CHAPTER FOUR

RESULTS AND DISCUSSION

4. Introduction

The first part of this chapter divided into four sub sections those are the respond's profile that gives details information about the respondent's gender, age, educational background and work experience. The second parts divided into four sub section those are Planning, Use, Maintenance and Disposal of fixed asset. The third part of this chapter open ended results and Last section Interview results. This chapter focuses on the finding of an opinion survey made from selected government organization related to fixed asset management. The survey employed structured questionnaires with both open and close –ended questions. The distrusted questionnaire booklets were filled by Endegagn worda finance and economic office employees and heads. Interviews with selected government organization head were successfully conducted. Moreover, the researcher`s personal observation was also employed to take some lessons from practice of public organizations. The analysis is also supported by secondary data collected from institutions and literatures. The descriptive type of research different finding emerged regarding practices and challenges of fixed asset management.

The sample size of the survey is 65 and accordingly questionnaires have been prepared and were given to the selected respondents in Endegagn worda finance and economic office employees. The respondents were requested to fill in the questionnaires. Among them 64 of the respondents filled in the questionnaires accurately, this is a 98.46 percent response rate. The statistical tables of the respondents are presented below.

4.1 Demographic Characteristics of Respondent

Description of the characteristics of the target population gives some basic information about the sample population involved in the study. Table 4.1.1 contains the general demographic Characteristics of Respondent.

Table 4.1.1 Demographic Characteristics of Respondents

No	Characteristics of Respondent	Number of Respondents	%
1	Gender		
	Male	39	60.9
	Female	25	39.1
	Total	64	100
2	Age		
	20-25	5	7.8
	26-30	7	10.9
	31-35	26	40.6
	36-40	14	21.9
	40 and above	12	18.8
	Total	64	100
3	Educational level		
	Certificate	0	
	Diploma	1	1.6
	Degree	62	96.9
	Masters	1	1.6
	Total	64	100
4	Work Experience		
	0-5	5	7.8
	6-10	11	17.2
	11-15	14	21.9
	16-20	18	28.1
	20 and above	16	25
	Total	64	100

Source: Researcher own Survey, 2022

As shown the analysis table 4.1.1 are 39(60.9%) male and 25(39.1%) females, which gives 64 respondents. The higher in the number of male respondents had been resulted due to the nature of sample taken.

The above Table 4.1.1 shows the age distribution of the respondents. The majority of the respondents are at an age group 31-35 and takes 40.6% of the total respondents 26, it was followed 36-40 grouping years (21.9%) is the total respondents are 14, the age of 40 and above 18.8% respondents are 12, 7(10.9%) of respondents were between the age of 26-30 and 5(7.8%) the respondents were the age between 20-25. From this we can see that the majority of respondents living at the study area are matured enough.

As shown in the same table above the academic qualification of Endegagn woreda finance and economic office 62 (96.9%) have earned their first degree, 1(1.6%) graduated with diploma and 1(1.6%) master. Hence, from this data it is possible to say that the majority of the respondents were educated and better understanding perform activities.

Regarding to work experience above table majority of the respondents from the Endegagn woreda finance and economic office 18 (28.1%) were familiar with the finance service for 16-20 years, 16(25%) of respondents were familiar with the woreda finance and economic office service for above 20 years, 14(21.9%) for 11-15 years, 11 (17.2%) for 6-10 years and 5(7.8%) were 0-5 years. Hence, from this data it is possible to say that the survey findings obtained have come from experienced and mature people.

The general objectives of this study were to assess the practices and challenges of fixed asset management of Gurage zone Endegagn woreda finance and economy office. By using the primary and secondary source of data, with the sample of 65 respondents, 64 were questionnaire respondents and 8, was interview participants selected from different public organization of heads by using one of non-probability sample technique used to purposive sampling techniques those who are thought to have more knowledge and experience to the study title.

The data were collected by using questionnaire and interviews as the major data sources and others are observation and documentary sources from the selected public office. The data was analyzed, presented, and interpreted by using SPSS statistics, mean, standard deviation, the table, percentage, and frequency. Based on this the following major findings were stated the analysis result.

The majority of the respondents responded that fixed asset management of Endegagn woreda finance and economic office do not have adequate plan, lack preventive maintenance, weak internal control and audit fixed asset and many obsolete and surpluses or un functional fixed asset based on the study findings disposed on warehouse and space of outside ware house. most of the study participants responded that there is no annual disposal plan, so the fixed asset disposal practices not carrying out following the annual disposal plan because there is no training of leading the disposal activities by the plan. The majority of the respondents responded that individuals were not accountable for the loss and damaged fixed asset that happened by the mistake employees. Fixed asset management process was not performed according to the rules and regulations, each stage of activities were not planned as formal activities top managers, employees and concerned bodies. Respondents responded that the major factors that affect fixed asset management are Legal frame work like proclamation, Directive and Manuals are available documents to manage fixed asset in the organization. The respondent responses shows that there is proclamation and directives while the organization has no fixed asset management manual. Humana Capacity building is creating what individuals and organization can be, before they will be. It is securing the future by addressing current development needs and opportunities tasks.

According to the respondent's property administration officers and internal auditors who have great role in managing public fixed assets but are not on job training and they are not capacitated to manage public fixed assets. Almost all respondents responded that the organization has no capacity building program for fixed asset management.

A good organization arrangements, culture and structure are a prerequisite to successful fixed asset management. The response given by respondents about the suitability of organizational structure for fixed asset management is not suitable for fixed asset management for the reason property administration officers are not structured at each organization and that placed at only woreda finance and economic development department under the public procurement and property administration work process for the whole woreda sectors. Those factors create challenges(problems) like lack of fixed asset four stage plan, weak control and follow up assets, lack of training opportunity for the employees on the proper management fixed asset, lack of leading the procurement activities properly by plan, lack of repairing and reusing the public property, not properly recording and using fixed asset, lack of assigning skilled and experienced maintenance manpower, lack transparency, lack of accountability, easily damaged and lose fixed

asset etc. These challenges impacts on fixed asset management’s such as increase maintenance cost, need for new asset and risk of the asset and decrease service delivery level and revenue potential of publics properties is underused and market value of assets is not recognized. Therefore, misuse and wastage of fixed asset directly or indirectly affect development of Endegagn worda. Finally respondents said possible solution of above problems Endegagn worda finance and economic office are needed awareness all public heads and employees available policies, rule and regulation of fixed asset management cycles when planning, acquiring, maintenance and disposal based on the south nation nationality people and state rule and regulation of fixed asset management, fixed asset administrations officers and internal auditors should get adequate training on fixed asset managements and researcher personal observation the organization should prepares fixed asset management plans especially for operation, maintenance and disposal function of fixed asset management and should set up performance measurement plan. In addition to the organizations should establish an appropriate monitoring and controlling system to protect fixed asset from misuse through private consumption, loss and wastage.

4.2 Data Reliability

Summary Cronbach Alpha Table

Cronbach Alpha	N of items
0.763	33

Source of questionnaire results, 2022

Based on the original 33 item scale, the scales have been validated for internal consistency and arrived at fit measures (Cronbach’s Alpha value of 0.763) and indicate a good reliability of the scale in the sample under study. The coefficient alpha for each of the scales exceeded 0.70 (Burns, 2008). Thus, the measures were reliable. Internal consistency measure is the Cronbach Alpha coefficient. When using Likert scales, it is the most acceptable measure of reliability (Whitley, 2002, Robinson, 2009). Although there are no definitive standards for internal consistency, the majority of experts agree on a minimum internal consistency coefficient of .70 (Whitley, 2002, Robinson, 2009). For the purpose of this research study the data was organized and analyzed using descriptive statistics and present in a tabular analysis. The method is using descriptive statistics because of it helps to summarize and present the data collected using

frequency counts, %, mean, and standard deviations for easy and better understanding of the readers.

4.3 Analysis of the Major Finding

4.3.1 Planning of fixed asset

The Benefits of good fixed asset management plan is it aligns asset objectives with organizational objectives , it ensures overall efficient and effective use of assets , it provides communication and future decision - making and it brings clarity to the way fixed assets are manages (Jones and white, 2008:9). And it spells out a sequence of steps that makes good policy sense thus a detailed understanding of the nature, extent and use of all assets controlled by a government agency is the first step to properly manage the assets (Hasbi et al ., 2010:5). According to Kooymans and Abboutt (2006:198-199) the organization`s strategic planning includes Physical lives of assets, expected amount and timing of major capital and maintenance expenditures, Asset replacement values, and market value which enables asset managers to influence organizational decisions that affect their operations.

According to Hasbi et al., (2010:5) the measurement of performance has become and essential element of the strategic thinking of assets owners and managers. Without having a formal measurement system for performance , it is difficult to plan , control and improve the asset management process.

The variables measurement of the utilization of fixed asset management and practices and challenges of fixed asset management analyzed on below based on respondents response.

Table 4.3.1 planning of fixed asset

No	Item	Response	Respondents response					Total	Mean	SD
			SA	Agree	Neutral	Disagree	SDA			
1	The Endagegn worda finance office use strategic plan document fixed asset management.	F	3	15	3	38	5	64	3.42	1.08
		P	4.7	23.4	4.7	59.4	7.4	100		
2	The Endagegn worda finance office use operational plan document fixed asset management.	F	3	16	2	37	6	64	3.42	1.10
		P	4.7	25	3.1	57.8	9.4	100		
3	The Endagegn worda finance office use performance and service delivery measurement plan document fixed asset.	F	2	9	7	41	5	64	3.59	0.93
		P	3.1	14.1	10.9	64.1	7.8	100		
4	Procurement and distribution of fixed assets performed based on the demand and needs from public sectors.	F	7	11	2	40	4	64	3.35	1.17
		P	10.9	17.2	3.1	62.5	6.3	100		
5	The need for fixed asset is raised from individuals and public sectors based on prepared work plan.	F	5	15	2	32	10	64	3.42	1.23
		P	7.8	23.4	3.1	50	15.6	100		
6	Procurement of fixed asset supported through plan of property administration/sectors/.	F	6	12	3	34	9	64	3.43	0.92
		P	9.4	18.8	4.7	53.1	14.1	100		
7	The Endagegn worda finance office Fixed asset management include usage, maintenance, disposal and acquisition integrated with public sectors should be planed as formal activity.	F	1	11	9	38	5	64	3.54	0.92
		P	1.6	17.2	14.1	59.4	7.8	100		

Source: Researcher own survey, 2022

Key; F=frequency, P=percent, SD=standard deviation, SA=strongly agree, SDA=strongly disagree, mean value scale; very low (1.0-1.49), low (1.5-2.4), moderate (2.5-3.49), high (3.5-4.49), very high (4.5-5).

As indicated in table 4.3.1 the question1, shows that 3(4.7) percent of respondents strongly agree with statements use strategic plan document fixed asset management, 15(23.4) percent of respondents were also agree use strategic plan document fixed asset management, 3(4.7) percent of respondents were neutral on this statement, 38(59.4) percent of respondents disagree on statements use strategic plan document fixed asset management and 5(7.8) percent of respondents also strongly disagree that use strategic plan document fixed asset management. From this, it can be concluded that 43(67.2) percent of respondent said that not use strategic plan document fixed asset management. The mean value shows 3.42 and Standard deviation is 1.08 rated as moderate.

Regarding item 2 in above table 3(4.7) percent of respondents strongly agree use operational plan document fixed asset management, 16(25) percent of respondents were also agree with this statement which means use operational plan document fixed asset management, 2(3.1) percent of respondents were neutral on this statement, 37(57.8) percent of respondent disagree on this statement, 6(9.4) percent of respondents also strongly disagree that use operational plan document fixed asset management. The mean valueshows3.42 and Standard deviation is 1.10rated as moderate. So that the analysis shows that there is no operational plan for fixed asset management.

In the above table 4.3.1 of third item, 2(3.1) percent of respondents strongly agree that use performance and service delivery measurement plan document fixed asset, 9(14.1) percent of respondents were agree on this statement, 7(10.9) percent of respondents were neutral on this statement, 41(64.1) percent of respondent disagree on this statement and 5(7.8) percent of respondents also strongly disagree that use performance and service delivery measurement plan document fixed asset. The mean value shows 3.59 and Standard deviation is 0.93 rated as high. The responses from the interviews show that all organization have no such plan to manage fixed asset and there is no practice of measuring services delivery performance for fixed asset. There for the organizations manage asset without fixed asset management plans and there is no performance measurement that indicates decision making for fixed assets is not efficient, effective and economical.

Regarding to item 4 the above table 18(28.1%) respondent replied strongly agree and Agree, about 2(3.1%) of respondent answered neutral. More respondent 44(68.8%) replied disagree and

strongly disagree the distribution of fixed asset not based on the demand and needs from departments. The mean value shows 3.35 and Standard deviation is 1.17 rated as moderate.

As it can be seen from the above table 20(31.2%) respondent answered strongly agree and agree as the source of fixed asset need from the individual and departments raise from the work plan. On the other hand 2(3.1%) respondent answered neutral and more respondent 32(65.6%) replied disagree and strongly disagree that the source of fixed asset need cannot be from prepared work plan of individuals and departments The mean value shows 3.42 and Standard deviation is 1.23 rated as moderate.

The interviewee 3 from Endegagn woreda public office heads said that problems of government office were preparation of procurement planning by collecting needs from different department rather procurement planning prepared without real source data or interests only through last year experience and by assumption procurement and fixed asset even if in procurement of similar used items.

Item 6 in the same above table 18(28.2%) replied strongly agree and agree on procurement Of property supported by need and plan of property administration. About 3(4.7%) of respondent replied neutral and the other 43(67.2%) answered disagree and strongly disagree that procurement of fixed asset couldn't do with plan of fixed asset administration sectors. The mean value shows 3.43 and Standard deviation is 0.93 rated as moderate.

On the other hand the interviewee 3 of the Endegagn woreda public sector heads said procurement of fixed asset cannot based on plan of annually fixed asset management plan (AMP) of fixed asset administration sectors. According to secondary data of annual procurement report of Endegagn woreda finance and economic office 2020/2021 the weakness stated where the preparation of procurement and property management plan in Endegagn woreda finance and economic office.

Item 7 in the above table 12(18.8%) replied strongly agree and agree, fixed asset management Work it would be formal activity. The less number of respondents 9(14.1%) replied neutral. The majority respondent 43(67.2%) answered disagree and strongly disagree it is not to be formal activity. The mean value shows 3.54 and Standard deviation is 0.92 rated as high.

The interviewee3 and 5 from Endegagn woreda public sector heads said there is no integration between Endagegn woreda finance office and public sectors through usage, maintenance, disposal and acquisition fixed asset management.

The interviewee 5 said that the organization plan include only acquisition for fixed asset.

The challenges of fixed asset management the office are lack of fixed asset management plan, lack of management emphasis.

According to primary and secondary data fixed asset management not formal activity Endagegn woreda finance and economic office.

Table4.3.2 Use of fixed asset

No	Item	Respondents	Respondents response					Total	Mean	SD
			SA	Agree	Neutral	Disagree	SDA			
1	The organizations have clear accountability and responsibility in utilizing fixed asset effectively, efficiently, economically and transparency.	F	7	8	11	28	10	64	3.40	1.21
		P	10.9	12.5	17.2	43.8	15.6	100		
2	There is appropriate monitoring and controlling system in the organization to protect fixed asset from misuse through private consumption, loss and wastage.	F	7	7	8	34	8	64	3.45	1.18
		P	10.9	10.9	12.5	53.1	12.5	100		
3	The organization have proper insurance coverage to minimize risk of fixed asset	F	4	17	0	30	13	64	3.48	1.25
		P	6.3	26.6	0	46.9	20.3	100		
4	The internal audit team`s contribution for fixed asset management.	F	3	15	2	33	11	64	3.53	1.16
		P	4.7	23.4	3.1	51.6	17.2	100		
5	There are internal control system that follow up usage fixed asset public organization.	F	3	24	2	31	4	64	3.14	1.13
		P	4.7	37.5	3.1	48.4	6.3	100		
6	Fixed asset management process is performed according to rules, regulations, and directives.	F	3	14	5	32	10	64	3.50	1.14
		P	4.7	21.9	7.8	50	15.6	100		
7	There are adequate records of fixed assets maintained including tagging, identification numbers of locations, description, and original cost and if appropriate, accumulate depreciation.	F	3	10	2	40	9	64	3.65	1.05
		P	4.7	15.6	3.1	62.5	14.1	100		

Source: Researcher own survey, 2022

No	Item	Response	Respondents response					Total	Mean	SD
			SA	Agree	Neutral	Disagree	SDA			
8	A clear and adequate written instruction on how to request for acquisition required through the public sectors.	F	8	32	2	14	8	64	2.71	1.29
		P	12.5	50	3.1	21.9	12.5	100		
9	The office complete fixed asset recording book.	F	9	17	0	38	0	64	3.04	1.20
		P	14.1	26.6	0	59.4	0	100		

Source: Researcher own survey, 2022

According to Jones and White (2008:2) one of the benefits of fixed assets management is improving accountability. Therefore, public sector managers, administrators and employees have a duty and responsibilities to provide protection for the fixed assets under their control (Brady, 2001; 10-11). According to SNNPR state procurement and property administration proclamation no.146/2012 (2012), the heads and all employees of public bodies are responsible for the protection and preservation of public property. Government must be able to hold asset managers accountable for the assets in their custody and be assured that these assets are serving their intended purposes and achieving targeted results (Kaganova, 2008; 7). Likewise, Brady (2001; 10-11) argues that public sector managers, administrators and employees have a duty and responsibilities to provide protection for the assets under their control. This protection is for losses from natural disaster, thefts, fire and an abundance of other ills that can befall a public sector organization.

One of the purposes of the fixed assets management is to provide control and accountability over fixed assets. The system permits loss, theft, or damage to fixed assets to be identified by a comparison of the assets on hand and their present condition to the information found in the fixed asset records (such as) information regarding the location, responsible party,

and conditions of public property (ministry of local government of Palestine revised fixed assets policy & procedures manual. 2008:11).

Table 4.3.2 item 1 shows that, 15 (23.5%) of the respondents replied strongly agree and agree that the organization have clear accountability and responsibilities in fixed asset utilization. While 11(17.2%) of the respondents replied neutral that mean no sure there is clear accountability and responsibility the organization and 38(59.4%) the majority of respondents replied disagree and strongly disagree. This show that the organization may utilize fixed assets without accountable and responsible manner even through procurement and property administration proclamation clearly states that the heads and all employees of public bodies are responsible for the protection and preservation of public bodies are responsible for the protection and preservation of fixed assets. This in return results in poor control protection and utilization of available fixed asset. The mean value shows 3.40 and Standard deviation is 1.21 rated as moderate.

Fixed assets in use comprise those assets that are found with the users and that they are under the custodianship of one of the employees of the public sector. A department or a division should be the custodian for those fixed assets that are not identifiable with an individual user(GOFAMM, 2007:29). According to Campbell, Jardine and McGlynn(2011:17), the operation of fixed assets is most affected thus the new practices in this area include formal information technology fixed asset management (item), asset performance management strategies and total asset visibility solution. Government must be able to hold asset managers accountable for the assets in their custody and be assured that these assets are serving their intended purpose and achieving targeted result (kaganova,2008). Correspondingly, Alfred M.king,(2011:9) there is only one answer to be senior management but because the absences of good internal control does not show up immediately in effect PP and E is an” out of sight, out of mind issue things will continue to go downhill until management becomes convinced that’s this is a corporate issue, sets forth individual responsibilities, and then provides sufficient resources to maintain the overall system. Brady (2001:10-11) argues that the fixed asset management program is important for a number of reasons such as control of losses (due to pilferage, theft and neglects), maximization of uses of assets(by facilitating sharing between and within department and divisions), to meet the growing demands from federal and state

funding and to ensure accurate documentation. According to Jones and White (2008:5) asset fixed management is a structured process that seeks to ensure best value for money from property assets in serving the strategic needs of local authorities.

The survey results above table 4.3.2 item 2 show that, 14(21.9 %) of respondents replied strongly agree and agree that's the fixed assets utilization is poor, while 8(12.5%) of the respondents replied neutral and 42 (65.6%) the majority of respondents replied disagree and strongly disagree. So data shows that there is no appropriate monitoring and controlling system in the organization to protect fixed asset from misuse through private consumption, loss and wastage. Open ended question and interview responses show that lack of timely maintenance, lack of accountability and responsibility, lack of internal audit work's, lack of adequate budget to repair the assets and also unsuitable organizational structure of fixed assets are challenge to use asset as intended manner and effectively. This signifies that organizations are not able to utilize their asset efficiently and effectively.

The respondent answered the factors that affect fixed asset management Endagegn worda finance and economic office are legal frame work, organization structure and human capacity building. Legal frame work like proclamation, Directive and Manuals are available documents to manage fixed asset in the organization. The respondent responses shows that there is proclamation and directives while the organization has no fixed asset management manual. Current utilized documents are south Nation Nationality and people Regional state procurement and property administration proclamation No. 146/2021 (2012), SNNPR state document. The researcher observed that government owned fixed asset management manual (GOFAMM) is not still prepared by the south nationality and people regional state BoFED even though MOFED prepared this document in 2007. Humana Capacity building is creating what individuals and organization can be, before they will be. It is securing the future by addressing current development needs and opportunities tasks. Kaganova (2011:39) suggested that good management of government fixed assets is a highly technical area and requires professional expertise, along with knowledge of specific tools.

According to the respondents property administration officers and internal auditors who have great role in managing public fixed assets but are not on job trained and they are not capacitated to manage public fixed assets. Almost all respondents responded that the organization has no capacity building program for fixed asset management.

The response given by respondents about the suitability of organizational structure for fixed asset management is not suitable for fixed asset management for the reason property administration officers are not structured at each organization and that placed at only woreda finance and economic development department under the public procurement and property administration work process for the whole woreda sectors. The respondents reflect as it is one of the main challenges in fixed asset management and property administration which hinder to provide timely implementation for asset decisions. Therefore, there is no suitable organizational structure to manage asset effectively and efficiently in Gurage zone Endegan woreda finance and economic office.

The mean value shows 3.45 and Standard deviation is 1.18 rated as moderate.

Insurance coverage helps to minimize the risk of fixed asset. According to King (201:122) in as much as accidents do happen, it is incumbent on management to have sufficient insurance to try to make the organization "whole" in case of loss. This is accomplished by purchase of insurance, in which the insurance organization, in exchange for a premium, promises to reimburse the organization in case of loss.

The above table 4.2.2 item 3 show that, 21(39.1 %) of respondents replied strongly agree and agree there is insurance coverage for fixed assets and 43(67.2%) respondents replied disagree and strongly disagree, there is no insurance coverage for fixed assets and open – ended responses there is insurance coverage for vehicle or car from near past. Therefore, the majority of organizations fixed assets have no insurance coverage to minimize the risk of the assets. The mean value shows 3.48 and Standard deviation is 1.25 rated as moderate.

The above Table 4.2.2 item 4 indicates that 18(28.1 %) of respondents replied strongly agree and agree the internal audit team's contribution for fixed asset management, while 2(3.1%) of the respondents replied neutral and 44 (68.8%) the majority of respondents replied disagree and strongly disagree the internal audit team's contribution for fixed asset management. Therefore from above data Endegagn woreda finance and economic office internal audit teams cannot contribute for fixed asset management. The mean value shows 3.53 and Standard deviation is 1.16 rated as high.

The above Table 4.3.2 item 5 show that, 27(42.2%) of respondents replied strongly agree and agree there are internal control system that follow up usage fixed asset public organization, 2(3.1%) of the respondents were neutral on this statement and 35(54.7%) the majority of respondents replied Disagree and strongly disagree. There is no internal control system that follow up usage of fixed

asset public organization. The mean value shows 3.14 and Standard deviation is 1.13 rated as Moderate.

As shows above table 4.3.2 item 6 seen fixed asset management process is performed according to rules, regulations, and directives asked for respondents are replied that 17(26.6%) of strong agree and agree, 5(7.8%) of the respondent were neutral and 42(65.6%) the majority of respondents replied disagree and strongly disagree, however it shows that have understand for this analysis the majority respondents fixed asset management process not performed by organization rules and regulation. The mean value shows 3.50and Standard deviation is 1.14ratedas high.

Regarding to the above table 4.2.2. item 7 There are adequate records of fixed assets maintained including tagging, identification numbers of locations, description, original cost and if appropriate, accumulate depreciation the respondents replied 13(20.3%)of strongly agree and agree, 2(3.1%) indicated neutral whereas 49(76.6%) of disagree and strongly disagree. The researcher concluded that cannot properly record. The mean value shows 3.65and Standard deviation is 1.05 rated as high.

Table 4.3.2 Item 8 Shows the respondent replied 40(62.5%) of strongly agree and agree, so that a clear and adequate written instruction on how to request for acquisition required through the department whereas 2(3.1%) of neutral and also 22(34.4%) disagree and strongly disagree. This is implying that this implies that the procurement process through the department and also the public office has a clear written acquisition rules. The mean value shows 2.71 and Standard deviation is 1.29 rated as moderate.

As item 9 of table 4.3.2 indicates that 26(40.7%) of respondents replied strongly agree and agree there is a registration book and controlling system over fixed assets and 38 (59.4%) the majority of respondents replied disagree. This implies that the Endegagn woreda finance and economic office there is no complete book of recording for the fixed assets. The mean value shows 3.04 and Standard deviation is 1.20 rated as moderate.

Table 4.3.3 Maintenance of Fixed Asset

No	Item	Response	Respondents response					Total	Mean	SD
			SA	Agree	Neutral	Disagree	SDA			
1	The Endagegn woreda finance office has spare part inventory fixed asset/equipment /periodically which are used for preventive maintenance	F	5	5	6	39	9	64	3.65	1.07
		P	7.8	7.8	9.4	60.9	14.1	100		
2	There are skilled and experienced personnel that perform preventive maintenance fixed asset.	F	2	4	7	47	4	64	3.73	0.80
		P	3.1	6.3	10.9	73.4	6.3	100		
3	The critical fixed asset and equipment are preventive maintenance	F	2	25	9	28	0	64	2.98	0.98
		P	3.1	39.1	14.1	43.8	0	100		
4	There is a regular maintenance schedule followed to maintain the usefulness and value of the assets from non-useful.	F	2	5	2	44	11	64	3.89	0.89
		P	3.1	7.8	3.1	68.8	17.2	100		
5	The organization inventory system is capable of identifying spare parts obsolesce.	F	1	19	4	30	10	64	3.45	1.12
		P	1.6	29.7	6.3	46.9	15.6	100		
6	The inventory system can indicate how many spare parts and consumables are consumed in each fixed asset.	F	2	8	7	37	10	64	3.70	0.98
		P	3.1	12.5	10.9	57.8	15.6	100		
7	The maintenance of fixed asset based on the needs and interest of public sectors.	F	10	18	0	36	0	64	2.96	1.22
		P	15.6	28.1	0	56.3	0	100		

Source: Researcher own survey, 2022

No	Item	Response	Respondents response					Total	Mean	SD
			SA	Agree	Neutral	Disagree	SDA			
8	The office follow up all sectors allocate maintenance budget from annual budget and enforce to the target.	F	4	24	0	36	0	64	3.06	1.09
		P	6.3	37.5	0	56.3	0	100		

Source: Researcher own survey, 2022

The above table 4.3.3 question 1 indicated the Endegagn woreda finance and economic office has spare part inventory periodically which are used for preventive maintenance the respondents replied 10(15.6%) strong agree and agree, 6 (9.4%) of the respondents were neutral on this statement and 48(75%) the majority of respondents replied disagree and strongly disagree. so this shows that cannot periodic preventive maintenance. The mean value shows 3.65and Standard deviation is 1.07 rated as high.

The same as above table question two there are skilled and experienced personnel that perform preventive maintenance fixed asset program indicated that the respondents replied 6(9.4%) strong agree and agree, while 7(10.9%) of the respondents replied neutral and 51(79.7%) the Majority of respondents replied disagree and strongly disagree. So this shows that maintenance of fixed asset cannot experienced and skilled personnel. The mean value shows 3.73and Standard deviation is 0.80 rated as high.

According to the above table 4.3.3 item 3 shows that, 27(42.2%) of respondents replied strong agree and agree these are indicated that have a critical fixed asset and equipment have preventive maintenance, 9(14.1%) of the respondents were neutral on this statement and 28(43.8%) the majority of respondents replied disagree. so this shows that the critical fixed asset and equipment are not preventive maintenance Endegagn woreda finance and economic office. The mean value shows 2.98 and Standard deviation is 0.98 rated as moderate.

The above table 4.3.3 item 4 the respondent replied of the statement that there is a regular maintenance schedule followed to maintain the usefulness and value of the assets which is 7(10.9%) of the respondents strong agree and agree, 2(3.1%) of the respondent were neutral and 55(86%) of the majority of respondents replied disagree and strongly disagree. so, it has not regular maintenance schedule followed. The mean value shows 3.89 and Standard deviation is 0.89 rated as high.

The above table 4.3.3 item 5 inventory system is capable of identifying spare parts obsolesce the respondents replied that 20 (31.3%) strong agree and agree inventory system is capable identifying spare parts obsolesce,4 (6.3%)respondents neutral and 40 (62.5%) disagree and strong disagree. It is concluded that not inventory system is capable of identifying spare parts obsolesce. The mean value shows 3.45 and Standard deviation is 1.12 rated as moderate.

The above table 4.3.3 item 6 are the respondent replied that 10(15.6%) strong agree and agree that the inventory system can indicate that spare parts and consumables are consumed in each fixed asset, 7(10.9) of the respondents replied neutral and 47(73.4%) of the majority of respondents replied disagree and strongly disagree. So it indicates there is no better inventory system. The mean value shows 3.70 and Standard deviation is 0.98 rated as high.

The above Table 4.3.3 item 7 show that, 28(43.8%) of respondents replied strongly agree and agree the maintenance of fixed asset based on the needs and interest of public sectors and 36(56.3%) the majority of respondents replied disagree the maintenance of fixed asset based on the needs and interest of public sector. According to above data maintenance of fixed asset Endegagn worda finance and economic office cannot interest of public sectors. The mean value shows 2.96 and Standard deviation is 1.22 rated as moderate.

The above Table 4.3.3 item 8 show that, 28(43.8%) of respondents replied strongly agree and agree the office follow up all sectors allocate maintenance budget from annual budget and 36(56.3%) the majority of respondents replied disagree the office follow up all sectors allocate maintenance budget from annual budget and enforce to the target. It is concluded that not allocate maintenance budget from annual budget and enforce to the target. The mean value shows 3.06 and Standard deviation is 1.09 rated as moderate.

Table 4.3.4 Disposal of Fixed Asset

No	Item	Response	Respondents response					Total	Mean	SD
			SA	Agree	Neutral	Disagree	SDA			
1	There is enough follow up and control on utilization and disposal of organization fixed asset.	F	3	25	4	26	6	64	3.10	1.16
		P	4.7	39.1	6.3	40.6	9.4	100		
2	Fixed asset disposal process is performed according to rules, regulations, and directives.	F	5	20	5	24	10	64	3.21	1.26
		P	7.8	31.3	7.8	37.5	15.6	100		
3	There is established fixed asset management system help to increase Endagegn woreda public sector understanding of principles, policies, procedures and cycles fixed asset management.	F	2	9	6	39	8	64	3.65	0.97
		P	3.1	14.1	9.4	60.9	12.5	100		
4	Fixed asset disposal committee is assigned and performs according to rules and regulations.	F	6	20	8	21	9	64	3.10	1.26
		P	9.4	31.3	12.5	32.8	14.1	100		
5	Fixed asset disposal will be approved by the responsible person once the disposal committee submit the recommendation.	F	1	18	2	33	10	64	3.51	1.11
		P	1.6	28.1	3.1	51.6	15.6	100		
6	The organization warehouse occupied with surplus or obsolete or un functional fixed asset.	F	12	42	5	5	0	64	2.03	0.73
		P	18.8	65.6	7.8	7.8	0	100		
7	The organization warehouse office space occupied with surplus or obsolete or un functional fixed assets.	F	12	42	5	5	0	64	2.04	0.76
		P	18.8	65.6	7.8	7.8	0	100		

Source: Researcher own survey, 2022

No	Item	Response	Respondents response					Total	Mean	SD
			SA	Agree	Neutral	Disagree	SDA			
8	Scarp, surplus and Obsolete materials have got focus and care up to disposal time.	F	4	19	4	30	7	64	3.26	1.18
		P	6.3	29.7	6.3	46.9	10.9	100		
9	Property purchased in and out process is managed on first in and first out (FIFO) system.	F	8	11	3	31	11	64	3.40	1.30
		P	12.5	17.2	4.7	48.4	17.2	100		

Source: Researcher own survey, 2022

Above table 4.3.4 item 1 It shows that, 28(43.8%) of respondents replied strongly agree and agree there is enough follow up and control on utilization and disposal of organization fixed asset,4(6.3%) of the respondents were neutral and 32(50%) the majority of respondents replied disagree and strongly disagree there is enough follow up and control on utilization and disposal of organization fixed asset. The data analysis shows that there is no enough follow up and control on utilization and disposal of organization fixed asset. The mean value shows 3.10 and Standard deviation is 1.16 rated as moderate.

Table 4.3.4 item 2 show that, 25(39.1%) of respondents replied strongly agree and agree the fixed asset disposal process is perfume according to rule, regulations and directives, 5 (7.8%) respondents neutral and 34(53.1%) the majority of respondents replied disagree and strongly disagree fixed asset disposal process is perfume according to rule, regulations and directives .It is concluded that fixed asset disposal process does not perfumed according to rule, regulations and directives. The mean value shows 3.21 and Standard deviation is 1.26 rated as moderate.

According to the above table 4.3.4 item 3 shows that, 11(17.2%) of respondents replied strong agree and agree there is established fixed asset management system help to increase Endagegn worda public sector understanding of principles, policies, procedures and cycles fixed asset management, 6(9.4%) of the respondents were neutral on this statement and 47(73.4%) the majority of respondents replied disagree and strongly disagree. The above data analysis shows that Endagegn worda public sector cannot understanding of principles, policies, procedures and cycles fixed asset management. The mean value shows 3.65 and Standard deviation is 0.97 rated as high.

The above Table 4.3.4 item 4 indicates that 26(40.7 %) of respondents replied strongly agree and agree the fixed asset disposal committee is assigned and performs based on rule and regulations, while 8(12.5%) of the respondents replied neutral and 30 (46.9%) the majority of respondents replied disagree and strongly disagree the fixed asset disposal committee is assigned and performs according to rules and regulations. It is concluded that disposal committee is not assigned and performs according to rules and regulations. The mean value shows 3.10 and Standard deviation is 1.26 rated as moderate.

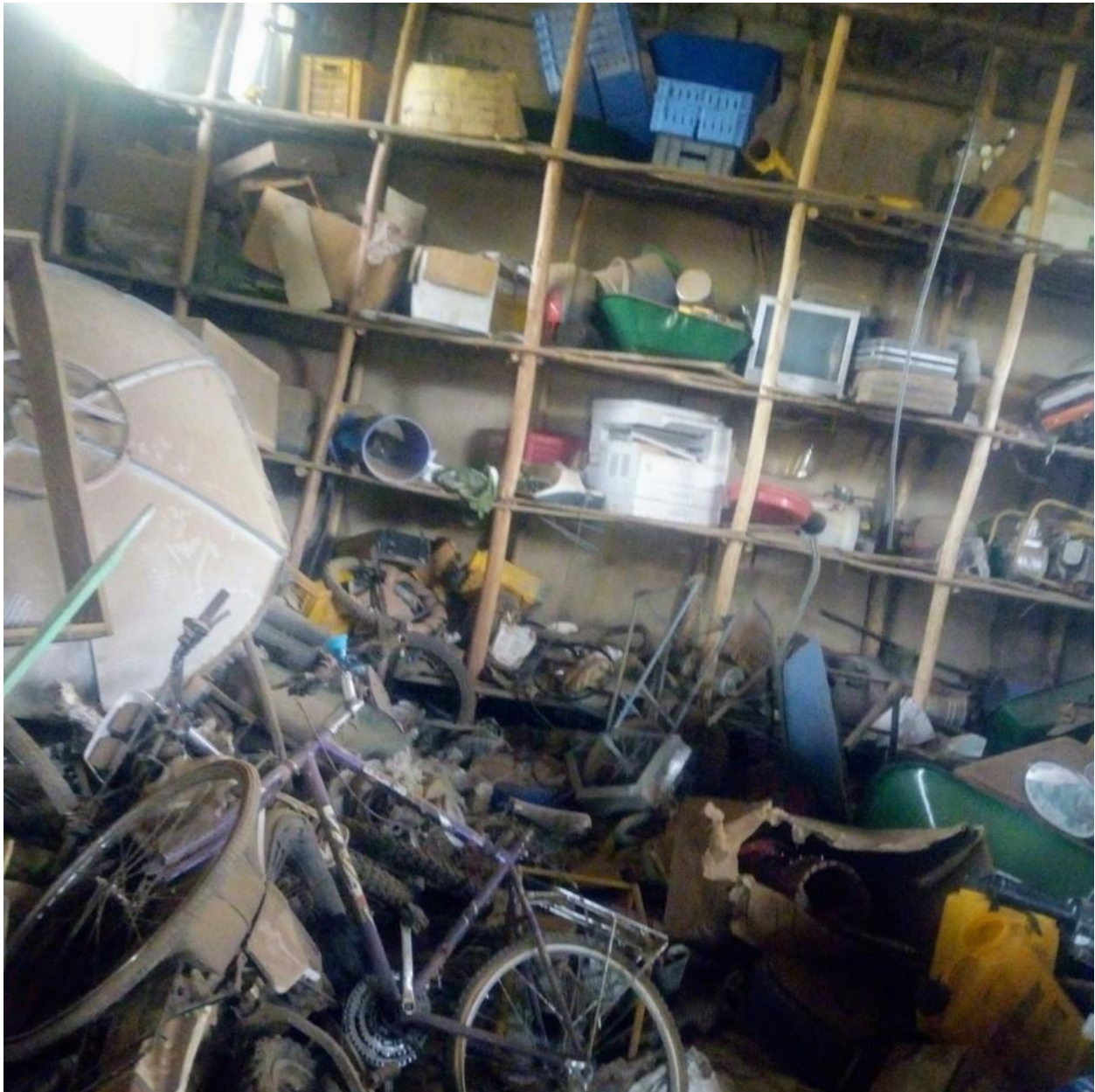
The above Table 4.3.4 item 5 indicates that 19(29.7 %) of respondents replied strongly agree and agree fixed asset disposal will be approved by the responsible person once the disposal committee submit the recommendation, while 2(3.1%) of the respondents replied neutral and 43 (67.2%) of the majority of respondents replied disagree and strongly disagree. The analysis shows that fixed asset disposal cannot approved by the responsible person once the disposal committee submit the recommendation. The mean value shows 3.51 and Standard deviation is 1.11 rated as high.

The above Table 4.3.4 item 6 shows that, 54(86.4%) the majority of respondents replied strong agree and agree the organization warehouse occupied with surplus or obsolete or un functional fixed asset, while 5(7.8%) of the respondents replied neutral and 5 (7.8%) of the respondents replied disagree. The above data analysis shows that Endegagn worda finance and economic office warehouse occupied with surplus or obsolete or un functional fixed asset. . The mean value shows 2.03 and Standard deviation is 0.73 rated as low.

According to interview respondents answered Endegagn worda finance and economic office are lack of awareness every one public office, Lack of follow up and control over fixed asset from top to lower level were weak the evidence for suggestions are no feedback and response for six

month fixed asset inventory report , no body accountable for negligibly brooked door, window, office chair, table and damaged desk top, printer and photo copier, lack of accountability , lack of transparency, weak follow obsolete and un functional fixed asset which outside store exposed to sun light and rain, Lack of modern warehouse, lack of performance measurement, limitation of maintenance budget, lack of skilled and experienced maintenance of human power and record in and out fixed asset are problems in managing fixed assets in Gurage zone Endegagn woreda finance and economic office in the sample.

Figure 4.6 Endegagnworea finance and economic office warehouse surplus or obsolete or unfunctional fixed asset.



Data Source: Field observation of 2022

Figure 4.7 Endegagn woreda finance and economic office warehouse surplus or obsolete or unfunctional fixed asset.



Data Source: Field observation of 2022

The above Table 4.3.4 item 7 indicates that 54(84.4 %) of the majority respondents replied strongly agree the organization warehouse office space occupied with surplus or obsolete or unfunctional fixed assets , while 5(7.8%) of the respondents replied neutral and 5(7.8%) the

respondents replied disagree. So it concluded that warehouse office space occupied with surplus or obsolete or un functional fixed assets. The mean value shows 2.04 and Standard deviation is 0.76 rated as low.

The above table 4.3.4 item 8 indicates that,23(36%)of respondent replied strongly agree and agree, about 4(6.3%) respondent answered neutral and the majority of respondent 37(57.8%)replied disagree and strongly disagree on focus and care up to disposed time for scarp, surplus and obsolete property. The researcher observation in warehouse and out of store as shown on figure below most of out of service properties like office table, chair, car, vehicles spare part and scrap metals and woods affected by sunlight and rain. Fixed assets not disposed timely and identified according to their economic value and vulnerability to damage.

The mean value shows 3.26 and Standard deviation is 1.18 rated as moderate.

According to the interviewee of 1 and 5 from Endegagn woreda finance and economic office registering, coding and identifying of disposed fixed asset were the primary problem of Endegagn woreda finance and economic office then they forward the second problem preparation of temporary storage for scarps, obsolete and surplus fixed asset and the 3rd problem timely disposing therefore all the illustrated problems were lack of attention and concern from each employees to top management public office for disposed property. Endegagn woreda government office including finance and economic office were lack of proper storage, poor fixed asset identification and coding system, registration, timely disposing and enforcement of accountability from concerned authorized body. Additionally less attention and undermining the structure from each government office head also another source for the problem. According to primary and secondary data above analyzed the finding proves the existing problems on handling disposed fixed asset from the beginning up to the end were weak before losing its economic value in Endegagn woreda finance and economic office.

In the same above table 4.3.4 item 9 fixed asset first in and first out (FIFO) system 19(29.7%) respondent replied strongly agree and agree, about 3(4.7) respondent answered neutral and the majority of respondent 42(65.6%)replied disagree and strongly disagree fixed asset purchased in and out process is managed on first in and first out (FIFO) system. The analysis shows that fixed asset purchased in and out process is not managed on first in and first out system. The mean value shows 3.40 and Standard deviation is 1.30 rated as moderate.

Figure 4.8 Endegagn woreda finance and economic office warehouse office space occupied with surplus or obsolete or unfunctional fixed asset.



Data Source: Field observation of 2022

Figure 4.9 Endegagn woreda finance and economic office warehouse office space occupied with surplus or obsolete or un functional fixed asset



Data Source: Field observation of 2022

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

Based on the major findings and study objectives of this research paper the following conclusions were drawn.

The fixed asset utilization practice (plan, use, maintenance and disposal) Endegagn woreda finance and economic office according to the research finding shows that fixed asset management practice of public organizations that selected in the sample from Gurage zone, Endagagn woreda finance and economic office is generally recognized as poor due to many reasons, among others the organization has no adequate plan for fixed asset operation, maintenance and disposal. There are weak protection fixed asset from theft, natural and other ills. The maintenance strategy of fixed asset is weak due to lack of proper maintenance plan and timely maintenance in Gurage zone Endegagn woreda finance and economic office that included in the sample of this study. Thus poor maintenance often leads to a shorter delivery service, may lead to loss of functionalities, a decrease in utilization and pose a threat to human safety. In the study there is weak internal control and audit fixed asset significant amount of surplus or un - functional fixed assets that should be disposed of like car, type writers, photocopy machines and office equipment that stored in warehouse, at different offices, at office corners and at compound of the organization without any use for the organizations selected at the sample. According finding individuals were not accountable for the loss and damaged fixed asset that happened by the mistake employees. Fixed asset management process was not performed according to the rules and regulations, each stage of activities were not planned as formal activities top managers, employees and concerned bodies. Regarding this research finding Endegagn woreda finance and economic office does not have four stages fixed asset management.

The factor that affect fixed asset management according to research finding the factor that affect fixed asset management are legal framework, organizational structure and human capacity building. The south Nation Nationality and people Regional state procurement and property administration proclamation No. 146/2021 (2012) and SNNPR state property administration Directive no.14/2012 are currently utilized frame work or document to manage fixed asset in

Gurage Zone, Endegagn Woreda finance and economic office but there is no government owned fixed asset management manual (GOFAMM). Regarding to the respondent's answer property administration officers and internal auditors who have great role in managing public fixed assets but are not on job training and they are not capacitated to manage public fixed assets. Almost all respondents responded that the organization has no capacity building program for fixed asset management. The organizational structure is not suitable for fixed asset management for the reason fixed asset administration officers are not structured at each organization and that placed at only woreda finance and economic development department under the public procurement and fixed asset administration work process for the whole woreda sectors.

The practical challenges that can influence the successful management of fixed asset are based on the research finding shows that Endegagn woreda finance and economic office a major challenges are lack of fixed asset four stage plan, weak control and follow up fixed asset from top to down were weak the evidence for suggestions are no feedback and response for yearly fixed asset inventory report , no body accountable for negligibly brooked door, window, office chair, table and damaged lap-to, desk top, printer and photo copier, Nobody follow obsolete and surplus fixed asset which outside store exposed to sun light and rain, lack of performance measurement fixed asset, lack of record in and out fixed assets, lack of training opportunity for the employees on the proper management fixed asset, lack of leading the procurement activities properly by plan, lack of repairing and reusing the public property, not properly recording and using fixed asset, lack of assigning skilled and experienced maintenance manpower, lack transparency, lack of accountability, easily damaged and lose of fixed asset etc. So these challenges effect on effectiveness and efficiency of fixed asset management and influence on development of Endegagn woreda.

The impact of existing fixed asset management system up on the operations according to the study findings, consequences of mismanagement of fixed asset Endegagn woreda finance and economic office are increase maintenance cost, need for new asset and decrease service delivery level and again revenue potential of publics properties is underused and market value of assets is not recognized. Therefore, misuse and wastage of fixed asset directly or indirectly impact on development of Endegagn woreda from these each year's woreda finance and

economic office plan to purchase fixed asset in millions birr but not build capital and poverty reduction development project activities like, youth job opportunity, rural agricultural irrigations etc.

The possible strategies to relive existing bottlenecks associated with fixed asset management system based on the research finding shows that possible strategies solution of Endegagn woreda finance and economic office problems of fixed asset management system are needed awareness all public heads and employees available policies, rule and regulation of fixed asset cycles management when planning, acquiring, maintenance and disposal based on the south nation nationality people and state rule and regulation of fixed asset management, fixed asset administrations officers and internal auditors should get adequate training on fixed asset managements, the organization should prepares fixed asset management plans especially for operation, maintenance and disposal function of fixed asset management and organizations should establish an appropriate monitoring and controlling system to protect fixed asset from misuse through private consumption, loss and wastage.

5.2. Recommendations

Based on the above finding and conclusions the researcher forwards the following recommendations.

- The Endegagn woreda finance and economic office should prepares fixed asset management plans especially for operation, maintenance and disposal function of fixed asset management and should set up performance measurement plan.
- The organizations should establish an appropriate monitoring and controlling system to protect fixed asset from misuse through private consumption, loss and wastage. And there should be strong internal control system for public property and also the woreda finance and economic department's management should enhance the role of internal audit team in managing fixed asset.
- The Gurage zone Endegan woreda public sector establish strong maintenance strategy for fixed assets through creating proper maintenance plan and timely maintenance.
- The Endegagn woreda finance and economic development department through collaboration with others users department/ sectors should implement disposal for any un - functional or surplus or unserviceable fixed asset to divert capitals to more productive uses that can help achieve the government's objectives and to increase

revenues that could arise from assets sales and to utilize warehouses spaces and office spaces effectively.

- Fixed asset administrations officers and internal auditors should get adequate training on fixed asset management and also the organization should establish capacity building program for fixed asset management. Therefore, the Gurage zones Endegagn worda finance and economic development department should facilitate the training and capacity building programs for fixed asset management officers and internal auditors.
- The Endegagn worda finance and economic office should prepare procurement and property management plan involving all concerned departments prior to the beginning of budget year, and should implement according to planned activities to ensure resourceful property administration.
- Creating awareness Endegagn worda finance and economic office managers, employees and concerned bodies the available policies, rule and regulation of fixed asset management cycles when planning, acquiring, maintenance and disposal based on the south nation nationality regional state fixed asset management rule and regulations.
- To prepared fixed asset recording book for transferring and receiving each sectors and individuals.
- To build modern fixed asset store and well organize.

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WEBSITE

[http:// www. mofed.gov.et](http://www.mofed.gov.et)

Appendixes



Wolkite University

College of Social Science and Humanity

Department Of Governance and Development Studies

Appendix One: Questionnaire to Be Filled by Endegagn Woreda Finance and Economic Office (Process owners).

Dear Respondent,

This questionnaire is designed by Mulugeta Barkedda , who is candidate for Master of arts degree wolkite university, To conduct a study in partial fulfillments of a Master degree programs in development planning and management.

The purpose of this questionnaire is to collect primary data for conducting a study on the challenges and practices of fixed asset management in case of Gurage zone Endegagn woreda finance and economy office. The researcher strongly believes that the findings of this study will have significant importance of Endegagn woreda finance and economic office organizations that are managing property in improving fixed assets management, property utilization, minimizing cost, and reducing wastage. It helps for heads of the public body to make decision on fixed asset utilization. Thus your genuine and timely response is highly appreciated.

The data to be collected from individual respondent will be kept confidential and its will be used only for academic purpose.

General directions to respondents

1. No need of writing your name.

2. Please indicate your level of agreement / disagreement to each questionnaire.
3. Please fill the questionnaires using tick(√) or circles your choice where applicable and describe your opinion for open ended questionnaire on the space provide
4. Thank you in advance for the valuable information you are sharing and the precious time you are going to spend for this purpose.

Researcher address: - Mob. No+ 251921805927

Section I: Respondent Personal Information

1. Your occupation _____
2. Gender ; A. Male B. Female
3. Age; A. 20-25 B. 26-30 C. 31-35 6-40
E. above 40
4. Educations level: A. certificate B. Diploma C. Bachelor degree D. Masters
5. Working experience: A. 0-5 years B. 6-10 years C. 11-20 years ≥20 years

Please indicate your level of agreement to the following statement using the scale provided.

Strongly agree	Agree	Neutral	Dis agree	Strongly Dis agree
1	2	3	4	5

Section I I: Question related planning of fixed asset

no	Items	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
1	The Endagegn worda finance office use strategic plan document fixed asset management.					
2	The Endagegn worda finance office use operational plan document fixed asset management.					
3	The Endagegn worda finance office use performance and service delivery measurement plan document fixed asset.					
4	Procurement and distribution of fixed assets performed based on the demand and needs from public sectors.					
5	The need for fixed asset is raised from individuals and public sectors based on prepared work plan.					
6	Procurement of fixed asset supported through plan of property administration/sectors/.					
7	The Endagegn worda finance office Fixed asset management include usage, maintenance, disposal and acquisition integrated with public sectors should be planed as formal activity.					

Section III: Question related to use of fixed asset

n o	Items	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
1	The organization have clear accountability and responsibility in utilizing fixed asset effectively, efficiently, economically and transparency.					
2	There is appropriate monitoring and controlling system in the organization to protect fixed asset from misuse through private consumption, loss and wastage.					
3	The organization have proper insurance coverage to minimize risk of fixed asset.					
4	The internal audit team`s contribution for fixed asset management.					
5	There are internal control system that follow up usage fixed asset public organization.					
6	Fixed asset management process is performed according to rules, regulations, and directives					
7	There are adequate records of fixed assets maintained including tagging, identification numbers of locations, description, and original cost and if appropriate, accumulate depreciation.					
8	A clear and adequate written instruction on how to request for acquisition required through the public sectors.					
9	The office complete fixed asset recording book.					

Section IV: Question related to maintenance of fixed asset

no	Item	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
1	The Endagegn woreda finance office has spare part inventory fixed asset/ equipment /periodically which are used for preventive maintenance.					
2	There are skilled and experienced personnel that perform preventive maintenance fixed asset.					
3	The critical fixed asset and equipment are preventive maintenance.					
4	There is a regular maintenance schedule followed to maintain the usefulness and value of the assets from non-useful.					
5	The organization inventory system is capable of identifying spare parts obsolesce.					
6	The inventory system can indicate how many spare parts and consumables are consumed in each fixed asset.					
7	The maintenance of fixed asset based on the needs and interest of public sectors.					
8	The office follow up all sectors allocate maintenance budget from annual budget and enforce to the target.					

Section V. Question related to Disposal of fixed asset

no	Items	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
1	There is enough follow up and control on utilization and disposal of organization fixed asset.					
2	Fixed asset disposal process is performed according to rules, regulations, and directives					
3	There is established fixed asset management system help to increase Endagegn woreda public sector understanding of principles, policies, procedures and cycles fixed asset management.					
4	Fixed asset disposal committee is assigned and performs according to rules and regulations.					
5	Fixed asset disposal will be approved by the responsible person once the disposal committee submit the recommendation.					
6	The organization warehouse occupied with surplus or obsolete or un functional fixed asset.					
7	The organization warehouse office space occupied with surplus or obsolete or un functional fixed assets.					
8	Scarp, surplus and Obsolete materials have got focus and care up to disposal time.					
9	Property purchased in and out process is managed on first in and first out (FIFO) system.					

Section VI: Question related to Challenges that Hinder Activity of Fixed Asset Management

1. Explain the major challenges of fixed asset management Endagegn worda finance and economic office.-----

2. What are the strengths and weaknesses of fixed asset management the office?

Strength-----

Weaknesses-----

3. What are factors that affect fixed asset management ?-----

Appendix Two: Interview for head of public organization and selected sectors

Interview Date-----Time-----Sex-----
Organization: Year of experience-----
Current Position:

Thank you for your willingness to participate in this study as a respondent. This interview is used to collect data for partial fulfillment of a master's degree in MA. The research focuses on assess the practices and challenges of fixed asset management of Gurage zone Endegagn woreda finance and economy office. Hence to gather information, I kindly seek your assistance in responding to the questions listed below. Any information you present will be kept confidential and will be used only for academic purposes. Thank you for your cooperation.

Interview for head of public organization and selected sectors

1. Do you believe that your organization management attention on fixed asset management?
2. How fixed asset management efficient and effective?
3. Is there adequate plan to manage fixed asset in your organization?
4. Are all fixed assets that owned by your organization clearly known?
5. What are who main challenges or constraints that finance and economic organization face in fixed asset use, Protect maintenance and disposal aspect?
6. What are the consequence of misuse and wastage of the fixed asset?
7. What are possible solution strategies solve the problem (challenges) of fixed asset management?