FIXED ASSETS VERIFICATION PROCEDURES AND SAFETY OF FIXED ASSETS IN ORGANIZATIONS: CASE STUDY OF KYAMBOGO UNIVERISTY

By

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DECLARATION

I, Akatuhereza Edson Relic do declare that this dissertation is original and to the best of my knowledge has never been presented to any other research Institution or Higher Learning Institution for any academic award and all the information obtained from other sources has been fully acknowledged.

Akatuhereza Edson Relic

Signature.....

Date 28/1/2024

APPROVAL

This dissertation has been submitted with the approval of my supervisors;

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DEDICATION

This research report is dedicated to my parents and guardians who supported me in my studies and to all my friends.

ACKNOWLEDGEMENT

I would like to express my sincere gratitude to the almighty God for his abundant grace and blessings that have enabled me to finish this research work successfully. This work would not have come to its completion without God's assistance, wisdom, good health that enabled me to reach this far.

I would like to thank Dr Maurice Olobo and Mr. Masimengo Tadeo my supervisors who struggled to supervise and worked hard to see the completion of this work.

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ABSTRACT

The study focused on fixed asset verification procedures and safety of fixed assets at Kyambogo University. The study was guided by three main objectives that is; to ascertain whether the existence of security personnel leads to safety of fixed assets, to ascertain whether authorization for acquisition and use of fixed assets leads to safety of fixed assets and to establish whether regular physical inspection of fixed assets leads to safety of fixed assets in Kyambogo university.

The study adopted a case study design to establish and collect significant data using qualitative and quantitative approaches. A sample size of 178 respondents was selected for the study. Questionnaires and interviews were used to collect the data of the study which was analyzed using Pearson's correction and regression analysis.

The findings of the study indicate that fixed asset verification procedure together with its attributes of the existence of security personnel, authorization for acquisition and use of fixed assets and regular physical inspection of fixed assets have a direct bearing on safety of fixed assets. The study indicates that fixed assets verification affects safety of fixed assets by 97.5%. Security Personnel affects safety of fixed assets ($t = 5.968$) followed by Authorization for acquisition and use of fixed assets ($t = 3.114$) and Regular physical inspection of fixed assets ($t = 2.277$), respectively.

The study recommends that fixed assets verification should be reviewed continuously in order to ensure safety of fixed assets. It can therefore be concluded that fixed assets verification procedures positively influences the safety of fixed assets.

CHAPTER ONE

1.0 Introduction

This chapter comprises the background to the study, the statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study, significance of the study and definition of key terms and concepts. This study focused on fixed assets verification procedures and safety of fixed assets in organizations. Fixed assets verification procedures are the independent variable and safety of fixed assets in organizations is the dependent variable.

Background to the study

Several scholars (Berna, 2008; Oyeyiola, 2006; Bostley and Drover, 2002), indicate that fixed assets verification procedure has a direct bearing on safety of fixed assets in organizations. Nwankwo (2010), on the other hand, insists that the institution of fixed assets verification procedure does not guarantee safety of fixed assets in organizations. He asserts that many organizations have lost considerable fixed assets despite conducting fixed assets verification. However, Messier (2007) argued that the success of every organization depends on how their assets are being managed. Organizations put internal control systems in place to ensure that acquisition of assets is properly authorized by the authorized people and to ensure that assets of the organizations are safeguarded against misuse and theft through instituting physical control which limits the accessibility to such assets (Paula, 2008).

According to Morgan (2007), verification of assets in the organizations entails examining the authority for acquisition of assets by checking the minutes of directors or shareholders authorizing this expenditure, inspection of documents for acquisition of assets such as invoices,

receipts and so on which should be in the names of the organization, physically inspecting whether the assets exist, ascertaining the ownership of the assets and ensuring that the assets are properly recorded in the asset register.

Lewis (2003), pointed out that verification of assets in organization is an important process of audit work which cannot be neglected by the organization because whereas an asset may be supported by genuine documents of title, it may not exist in the business or if it does exist, it may be undervalued or overvalued thus physical asset must be verified before they can be passed both in their respective accounts and in the balance sheet.

According to Malinga (2006), verification of assets in organizations is done to ascertain ownership of assets, ensure that assets are given fair value, ensure that the assets are disclosed in financial statements, ascertain the existence of assets and authenticate the authority for acquisition of assets appearing in the balance sheet and their presentation in final accounts. The main reason for doing so is to safeguard the assets of the organization. Although this is done, many organizations are faced with the challenge of how to make this come true. Corporate assets end up being misused by unauthorized officers. Organizations should ensure that the system and procedures in place are effective so as to eliminate unauthorized use of organizational resources.

It was on this basis that the researcher undertook to investigate the problem using Kyambogo University as the ground to investigate the relationship between fixed assets verification procedures and safety of organization's fixed assets.

1.2 Statement of the problem

Verification of assets enables organizations to keep proper asset records and to ensure that assets are properly safeguarded against misuse (Morgan, 2007). The process of conducting fixed assets verification and balance sheet audit to protect assets from theft and unauthorized use exist in public institutions of learning.

In spite of this process being in place, some fixed assets are not safe in these institutions. Kyambogo University Report on Asset Registers for the period 2011/2012 shows that some University fixed assets such as furniture, motor vehicles are vandalized in the university compound, others are stolen by students and taken to their hostels, motor vehicles to be disposed off are packed in the open university premises without proper security guarding them and as a result most motor vehicle parts end up being stolen. The value of some fixed assets could not be ascertained. It makes one wonder why the University instituted fixed asset verification to protect its fixed assets yet they are being misused and not safe. This is what the study sought to examine in order to fill the knowledge gap.

1.3 Purpose of the study

Several scholars (Berna, 2008; Bostley and Drover 2002), agree that safety of fixed assets in organizations depends greatly on fixed assets verification procedures. However, Nwankwo (2010) discards the assertion that safety of fixed assets in organizations depends on fixed assets verification procedures. The purpose of the study was to establish the relationship between fixed assets verification procedures and the safety of organization's fixed assets to fill the gap.

1.4 Objectives of the study

i. To ascertain whether the existence of security personnel leads to safety of fixed assets.

ii. To ascertain whether authorization for acquisition and use of fixed assets leads to safety of fixed assets.

iii. To establish whether regular physical inspection of fixed assets leads to safety of fixed assets.

1.5 Research questions

i. How does the existence of security personnel lead to safety of fixed assets?

ii. How does authorization for acquisition and use of fixed assets lead to safety of fixed assets?

iii. How does regular physical inspection of fixed assets lead to safety of fixed assets?

1.6 Scope of the study

1.6 1.Geographical Scope

The study was carried out in Kyambogo University which is one of the public Universities in Uganda. The University is located 8km from Kampala City Centre along the Kampala – Jinja highway at Banda. Kyambogo University was selected because over the years, the university has been experience the problem of fixed assets safety yet asset verification is carried.

1.6.2 Content Scope

The study focused on fixed asset verification procedures and safety of fixed assets in Kyambogo University. The study had two key variables as fixed asset verification procedures which is the independent variable and safety of organization's fixed assets which is the dependent variable.

1.6.3 Time Scope

The study covered the period of five years from 2009-2013, this is the period when most assets as reflected in the asset register of the University have been misused and unsafe (Kyambogo University Asset Register Report, 2011/12).

1.7 Significance of the study

The outcomes of the study will be beneficial to: -

i. Managers and other decision makers in organizations in designing the most appropriate internal controls to safeguard the organizations' assets.

ii. The study will further enable managers to assess and evaluate how assets are being handled by the officers in the organizations.

iii. The study will also assist auditors to conduct meaningful balance sheet audit so as to ascertain the existence of assets in organizations.

iv. The findings of the study will help asset managers in organizations to identify the loopholes in the management of corporate assets.

v. The study will also help future researchers and academicians in gaining insight on asset verification and also to understand the procedures which are followed in verification of assets.

vi. The study will assist managers to determine whether safety of organizational assets depends on asset verification or not.

1.8 Definition of key terms

Asset A resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit. Assets are bought to increase the value of a firm or benefit the firm's operations. You can think of an asset as something that can generate cash flow, regardless of whether it's a company's manufacturing equipment or an individual's rental apartment.

In the context of accounting, assets are either current or fixed (non-current). Current means that the asset will be consumed within one year. Generally, this includes things like cash, accounts receivable and inventory. Fixed assets are those that are expected to keep providing benefit for more than one year, such as equipment, buildings and real estate, Motor vehicles.

Verification It is the process by which the auditor physically confirms the existence of assets and liabilities and in this case he verifies description, ownership, valuation, existence, presentation of accounts and authorization for acquisition of assets appearing in the balance sheet.

Physical controls These are measures instituted in the organization to safeguard the assets against misuse.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

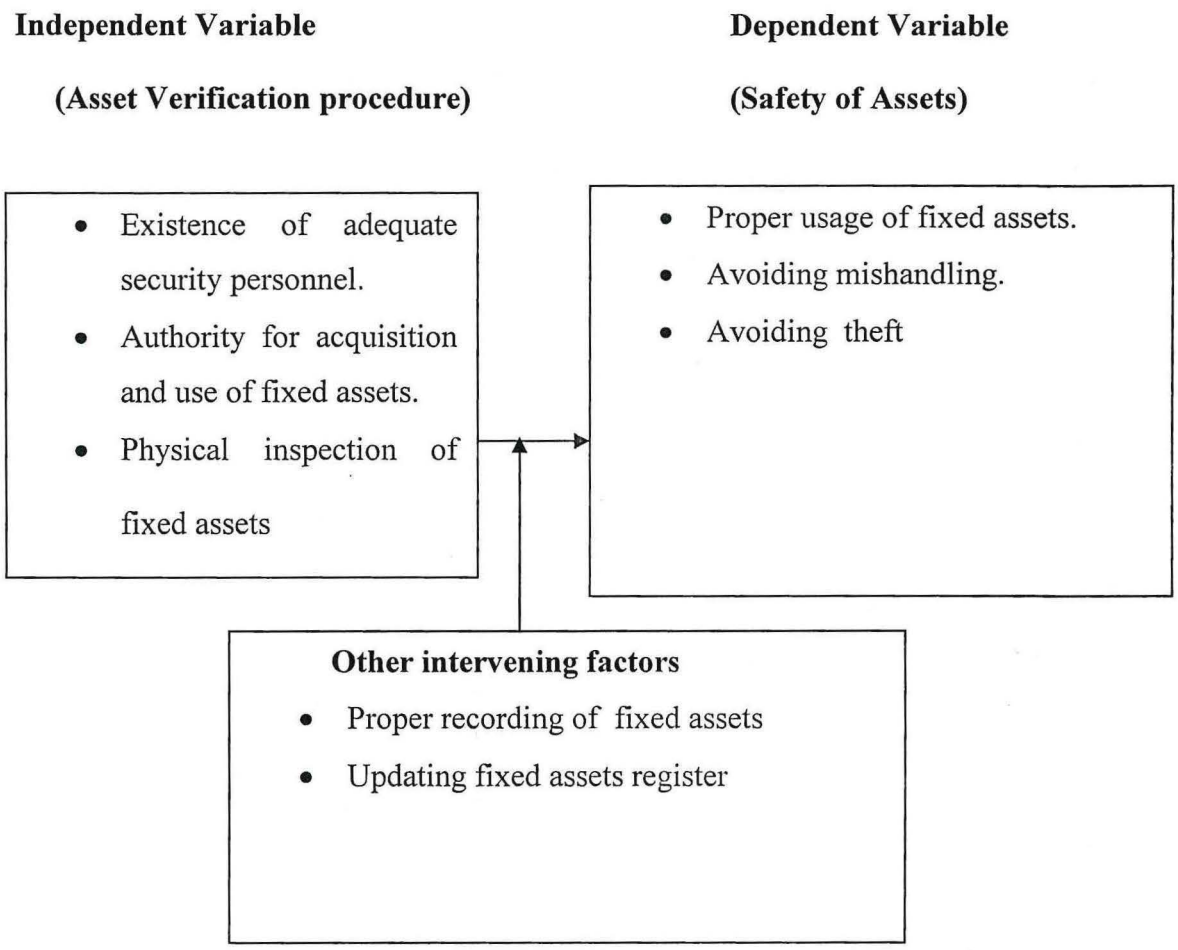
This chapter comprises the related literature about fixed asset verification and safety of organization's assets. The purpose of this chapter was to integrate the research study with what other researchers and writers have discovered about the relationship between fixed asset verification procedures and the safety of organization's fixed assets. This chapter is divided into four sections; the first section covers the theoretical review, the second is the conceptual framework, the third part reviewed the literature basing on the research objectives and the last part is the summary of literature review which addresses the knowledge gap.

2.1 Theoretical framework

This study was molded on the postulates of systems theory. Musaazi (2005) points out that asset verification like any other internal auditing aspect can be analyzed systematically and as a system, asset verification is composed of various parts which need to be understood to ensure safety of organization's assets. The systems theory thus provides a suitable view point from which to analyze the relationship between asset verification and safety of assets (De Marta, 2000). Systems theory indicates that the procedure adopted by the auditor in verifying the assets of the organization should begin with establishing whether all the assets acquired or disposals made by the organization were made after obtaining the approval of authorized officials and that the assets were properly recorded in the asset ledgers. The auditor should further determine the cost at which these assets were acquired or disposed of to see if the price was reasonable and also to verify whether it was necessary to purchase or dispose of the asset (Berna, 2008). With this

view therefore, it can be concluded that systems theory is relevant to the current study in that it emphasizes the continuous process of physical inspection of assets, continuous recording of assets in asset registers, authorization and approval for acquisition and use and disposal of assets to ensure that the assets of the business are properly safeguarded against misuse.

2.2 Conceptual framework



Source: Designed by the researcher

Asset verification together with its attributes such as the existence of adequate security personnel, authority for acquisition and use of fixed assets and physical inspection of fixed

assets, influence the safety of organizational fixed assets through proper usage, avoiding mishandling and avoiding theft of fixed assets. On the other hand, other factors such as proper recording of fixed assets and updating fixed asset register can also affect the safety of organizational fixed assets. The study acknowledge the intervening variable by matching them with the study variables.

2.3 Security personnel and safety of fixed assets.

According to Messier (2007), certain environments present substantial security challenges to businesses attempting to operate in a safe and professional manner. Theft, fraud, vandalism, and malicious activities, accidental or intentional loss or damage by employees or members of the public, and natural events (such as power failure, fire or flood) are likely threats to assets that could deprive the organization of their use, and disrupt program and service delivery. In this case therefore, Lewis (2005), pointed out that all assets should be kept in a secure location, maintained regularly, insured against theft or destruction, utilized economically and efficiently. The procurement manager should inform the organization's management of the acquisition or disposal of a significant asset, and the relevant particulars of the transaction have to be submitted to the executive authority for approval.

Fixed assets such as equipment must be safeguarded from unauthorized access, use or theft (Bostley and Drover, 2002). Examples of access controls to safeguard fixed assets are locked doors, filing cabinets, drawers and safes. The number of individuals with access to the keys or lock combinations should be as few as possible. Locks should be changed when employees who had keys to significant amounts of assets are terminated (Oyeyiola, 2006). Fixed asset listings

should be periodically reviewed and compared to assets physically on-hand. Missing items should be investigated, resolved, and analyzed for possible control deficiencies. Fixed asset listings should be updated accordingly. However, what the authors did not put forward was that there is a need to conduct independent stock-taking and inspection on fixed asset items, make enquiry into any irregularities (e.g. missing items), and report to the management on the findings and that there is a need to review the fixed asset reports and initiate enquiry if there is any anomaly (e.g. frequent reports of missing items, or frequent disposal/replacement of valuable items) which this study intended to bring out.

The organization's security policy and security classification standards require certain physical security measures and access limitations for particular assets (Paula, 2008). The audit team physically examines a sample of assets to ensure they are secured, properly stored and that access is appropriate as defined by the policy. Physical security strategies are based on (1) the concept of protection, detection, response, and recovery; (2) design is based on a series of clearly discernable zones; (3) control of access to restricted areas; and (4) the capability to increase security during emergencies and increased threat situations. Morgan (2007) adds that control of access to restricted-access areas and other departmental space must be provided in a manner which does not contravene the life safety requirements of the fixed assets. What Morgan did not state is that security measures should that there is a need to keep proper records of the items, with copies send to the accounting section or head office for central record and ensure all property items (e.g. computer equipment and mobile phones) issued on a personal basis are returned upon the staff leaving the company or upon transfer to another post and submit to the management periodic reports on the disposed items including the quantity and total value

Balancing effective control of access for unauthorized persons and material while providing convenient access for authorized persons and materials is a challenge for any department (Berna, 2008). Areas of concern include pedestrian entrances, visitor screening, and receiving areas, parking, utility spaces, mailrooms and corridors leading to restricted zones. However, it should be remembered that past corruption cases in many organization indicate that safety of fixed asset is an area prone to corruption. Staff having access or control over fixed assets may be tempted to misuse them for personal gain. Chances are that staff can collude and cause financial loss to the organization which must be addressed in order to fill this gap. There is a need to have a Best Practice Checklist for providing the organizations with a user-friendly and step-by-step guide on fixed assets management with recommendations of safeguards to minimize risks of corruption or malpractice. Organizations are expected to adapt the recommended safeguards to suit their organizational structure, resources, risk exposures, and any statutory requirements.

Factors affecting the means of controlling access include such things as the size and location of the facility and the nature of activities undertaken there (Nwankwo, 2010). For example, the requirement to control access might involve either a series of administrative procedures such as having visitors sign in and out, and having employees show identification badges to security personnel, or a system whereby visitors must contact an employee who would come and escort them into the facility (Ojeigbede, 2000). Facilities with few employees might consider personal recognition techniques to determine authorized and unauthorized individuals entering their space. Departments may also consider electronic access control (e.g., card access, PIN access or biometric access control) to meet the requirement for mandatory control of access (Paula, 2008).

A threat and risk assessment will determine the appropriate cost effective means to control access to a facility.

Beasley (2000), pointed out that keys that provide access to security containers must be changed when (1) there is evidence of compromise, (2) a threat and risk assessment indicates an unacceptable level of risk, or (3) an employee's need to access the security container has changed. Combinations to security containers should be changed every year (Oyeyiola, 2006).A record of all changes to keys for security containers must be kept, including: the date, reason, custodian, location and, if applicable, lock identifier, combination number, duplicates, etc. This record of change must be secured commensurate with the highest security level of the information/asset being protected within the container.

2.4 Authorization for acquisition and use of fixed assets and safety of assets.

Paula (2008), indicated that fixed assets like land and building, plant and equipments, motor vehicles and so on represent major portion of capital employed in the business. The purchases of these assets involve large amounts of money. Lewis (2005) pointed out that there should be an effective internal control system in respect of purchases and disposals of assets. Usually the purchases and disposals of these assets should be authorized and approved by the boards of directors of the company. Sometimes, the authority of approving any purchase or disposal of fixed assets acquired or disposed of during a particular year should be duly authorized.

With this assertion therefore, the acquisition of assets and disposal should be authorized by shareholders or board of directors as one of the controls to safeguard the assets of the business enterprise (Paula, 2008).

James (2003), said that companies should ensure that payments for the purchase of assets are made through crossed cheques and cheques should only be prepared after the approval of supporting documents such as invoices. There should be proper division of duties regarding completing various stages of payments by cheques and that the whole procedure should be authorized and supervised a responsible officer. However, what the author did not put is that there a need to maintain a property register or database to keep up-to-date records of all fixed asset items, e.g. the item's unique number, description, brand name, model number and serial number (if any), user, location, dates of manufacture and issue, and purchase price or estimated value. Furthermore, there is a need to segregate the duties of asset management where practicable, e.g. separate the record-keeping and disposal duties and thus keep independent accounting records on fixed asset items.

2.5 Regular physical inspection of fixed assets and safety of fixed assets

As for ACCA, audit practice, (1997) organization should ensure that there is adequate security over fixed assets. Physical controls must be intact to limit unwarranted accessibility. That, organizations should use strong lockers and padlocks, security dogs, security cameras, security guards, strong fences as some of physical controls that should be put in place to prevent unauthorized officials to use company's asset. This shows that if physical controls are not in place it becomes easier for officers to use company's assets any time they feel they want to use

them which may cost the company. However it should be remembered that there is a need to label each valuable item showing a unique identification number if physical inspection is to be effective and this was not indicated by the author.

According to Messier (2007), there should be regular check-ups by responsible officer to ensure that the asset exists. The existence of fixed assets as shown in the balance sheet should be confirmed. Some assets may be stolen or destroyed but still those assets appear in the balance sheet. This entails that physical inspection of assets reveals whether the asset exists or not. However, what the author failed to highlight is that to ensure safety of fixed assets the management must assign a responsible staff member to conduct periodic and annual inspections as required on the property items in store or issued to users against the fixed asset register or database. There is also a need to conduct enquiry into any missing items and take appropriate follow-up action and thus produce periodic reports on fixed asset items for management information (e.g. asset value, any asset lost, damaged or written off).

Physical existence of assets is central in guarding against the misuse of assets. The auditor must inspect whether assets for the business actually exist to ensure safety of organizational assets. Physical existence of assets should be matched with asset records at regular intervals and any discrepancies should be investigated (Morgan, 2007). Assets disposed of should be removed from the records and adjustments in the asset register should be made to ensure accuracy of records and this exercise should be supervised by some senior responsible officials. However, what the author skipped is the need to specify the approval authority for disposal of fixed asset

items based on their values, preferably at the management level and independent of the owner departments and that there is a need to lay down the procedures and authorities for the issue of property items to individual staff, and the requirements for recording the items' movements and disposal and finally the management must assign to each fixed asset item a unique identification number.

Holmes and Burns (1997), further stated that firms which use other types of audit such as management audit, final audit, standard audit, procedural audit and so on usually find it hard to ascertain whether the assets of the business exist or not or whether such assets were sold immediately they were purchased or whether they are properly disclosed in final accounts and given their fair value. Verification of assets irons out this problem and hence reduces the chances of unscrupulous officers. With this statement it should be urged it is important to use balance sheet audit because it enables the entity to safeguard its assets against misuse. What the author failed to observe is the fact that safety of fixed assets through fixed assets verification needs to assign a staff member of the appropriate level to control and manage the property items, including: issuing items to users; keeping the items' movement records; notifying the management any unauthorized change in users or locations of the items; amending the inventory records only with the endorsement of the designated authority; arranging disposal of the items only with approval from the designated authority.

2.6 Conclusion

Basing on what other writers and researchers discovered about fixed asset verification and safety of organization's fixed assets, the study shows that, although fixed assets verification is the key

in ensuring safety of organization's fixed assets, misuse, theft and misappropriation of assets are still a challenge. Therefore, there was a need for a thorough investigation of why this gap exists and why authors and writers failed to address the key element in fixed assets verification in order to ensure safety of fixed assets.

CHAPTER THREE

METHODOLODY

3.0 Introduction

This chapter comprises of research design, area and population of the study, sample size and sample selection techniques, sources of data, data collection instruments, data quality control, procedure of the study, data analysis and interpretation and the limitations of the study. The study focused on analyzing the relationship between fixed assets verification and safety of organizational fixed assets.

3.1 Research design

The researcher used a case study research design to establish and collect data from Kyambogo University. This research design helped the researcher to gather data of the current situation which later was analyzed using qualitative and quantitative research methods to establish the relationship between fixed asset verification procedures and safety of organizational fixed assets and hence it helped the researcher to portray the true picture on ground and circumstance as they existed.

3.2 Area and population of the study

The study was carried out in Kyambogo University which is one of the government universities in Uganda. The University is located 8km from Kampala City Centre along the Kampala – Jinja highway. The area was chosen because the researcher believed that the problem of misuse of assets is more pronounced in public universities like Kyambogo and further the researcher chose the area because the place is near to where he resides hence minimizing transport costs.

The study population consisted of 212. The population was made up of top administrators, deans, and heads of departments, lecturers and student leaders of Kyambogo University.

3.3 Sample size and sampling technique

The study was based on a sample size of 178 that was drawn from a population of 212 (Kyambogo University organizational chart). The sample size of 178 was sufficient and this is supported by Krejcie, Robert V., Morgan, Daryle W in their work (1970), that where a total population is 212, a sample size of 178 or more is sufficient.

Sampling techniques and procedure

The researcher used purposive sampling technique as shown in table 1 because of the nature of study, which required getting particular information from the respondents. Mugenda and Mugenda (1999) says purposive sampling focuses on particular characteristics of a population that are of interest, which best enables the researcher to answer his research questions. Those people who are unsuitable for the sampling study or who do not fit are always eliminated, so only the most suitable candidates remain.

Table I population and sample size.

No	Category of respondents	Population	Sample size	Sampling technique
1	Deputy vice chancellor	2	2	Purposive
2	Deans	8	8	Purposive
3	Heads of department	34	30	Purposive
4	Lectures	109	85	Purposive
5	Student Leaders	59	53	Purposive
	Total	**212**	**178**	

3.4 Sources of data

The researcher employed both primary and secondary sources of data collection

3.4.1 Primary Sources

The researcher used questionnaire and interview guide to solicit necessary data from the respondents.

3.4.2 Secondary Sources

The researcher further dug out data from library, newspapers, Business journals, reports and he put more emphasis on asset registers. Data obtained from these sources, was analyzed and compared with the primary sources so as to make informed judgment.

3.5 Data collection instruments

Data was solicited from the respondents using the following research instruments: -

Questionnaires

The researcher used structured questionnaires to gather data from the respondents. The researcher issued out closed-ended and open-ended questionnaires to senior and lower rank cadres of Kyambogo University. The researcher employed questionnaires because they are simple to administer and can be filled in at the respondents' convenient time. The questionnaires were designed in such a way that they are simple to understand, covered the scope and the objectives of the study.

Interview guide

The researcher also used interview guide to solicit necessary data for the study. The researcher posed respondents some questions about the issue under investigation so as to get first hand information. This instrument was used because it is the quickest method of collecting data and question could be repeated clearly for the respondents to understand them. Interview guide was used to enable the researcher to cross-check the answers given in the questionnaire and also to enable the researcher to obtain further information about the problem under investigation.

3.6 Data quality control

3.6.1 Validity

To ensure validity of research instruments used in this study, questions were discussed with the supervisor for scrutiny, clarity and removal of ambiguity. Corrections were made accordingly before pre-testing the instruments. The ratings from the experts/supervisor were computed using content valid index. The results of the validity index as shown in appendix 4 are above 0.7 and thus considered valid as maintained by Amin (2005).

3.6.2 Reliability

The study tested for reliability of the data collected using Cronbach's alpha method as provided by SPSS to determine how well all items in the test relate to all other items and to the total test. The results in all items had high reliability with alpha above 0.7 and reflected in appendix 4 and thus considered highly reliable in eliciting the data that was required for this study (Amin, 2005).

3.7 Procedure of the study

The study was carried out in an organized way in which the researcher first pre-tested the research instruments to ascertain whether they would collect the desired information. The main purpose of doing so was to examine the validity and reliability of the research instruments, to eliminate unclear and vague questions and biases in questions. A letter from the School of Management and Entrepreneurship of Kyambogo University was obtained and it was presented to Kyambogo University management so as to carry out the study without any inconveniences.

3.8 Data analysis techniques

Qualitative and quantitative data collected was analyzed, interpreted, arranged and tabulated. **Quantitative data** was analyzed using Pearson's correlation coefficient and regression analysis to determine the relationship between fixed assets verification procedures and safety of fixed assets. The findings of the study were presented descriptively using measures of central tendencies (means and standard deviations). The reason for presenting data descriptively was to yield the desired statistical output and measures of dispersion as key empirical references.

Analysis of **qualitative data** was done through descriptions of events and occurrences as gathered from the interviewees. The main reason for using this type of analysis was to present issues as they existed on ground without subjecting the research findings to statistical tests.

3.9 Limitations of the study

The researcher met the following limitations during the study;

i. Some staff did not answer the questionnaires given to them by the researcher and hence this hindered the researcher from collecting the required data for the study.

ii. The study was based on fixed asset verification as the major determinant of safety of organizational fixed assets. However, there are many factors that affect the safety of organizational fixed assets such as weak internal controls, lack of competent work force to manage fixed assets properly and so on. Thus the findings of the study may not be the sole representative of safety organizational assets other factors contribute certain percentage.

To overcome the above limitations the researcher had to convince the respondents that the data needed was purely for academic purpose and would be safeguarded from misuse

CHAPTER FOUR

ANALYSIS, PRESENTATION AND INTERPRETATION OF RESULTS

4.0 Introduction

This chapter presents, analyzes and interprets the results. The research was carried out on the basis of 178 respondents. This was considered to be the sample size of the research study. However, the researcher managed to get responses from only 154 respondents. These were the ones who participated in the study. These represented 86.5% of all respondents that were targeted by the researcher. Hence, the response rate with respect to this research was 86.5%.

This chapter is divided into four sections. The first section presents demographic data about respondents. The second section presents, analyzes and interprets the results about security personnel and safety of fixed assets. The third section covers the results about authorization for acquisition and use of fixed assets and safety of fixed assets. The fourth section presents the findings about regular physical inspection of fixed assets and safety of fixed assets.

4.1 Demographic Characteristics of Respondent.

The study analyzed demographic data relying on a number of variables including; gender, age structure and education background of the respondents. The findings gathered are presented as follows:-

Table II: Background characteristics of respondents

Gender			
	Frequency	**Percent**	**Valid Percent**
Male	66	42.9	42.9
Female	88	57.1	57.1
Total	154	100.0	100.0
Age (In years)			
	Frequency	**Percent**	**Valid Percent**
21 – 30	53	34.4	34.4
31 – 40	60	39.0	39.0
41 – 50	39	25.3	25.3
50 +	2	1.3	1.3
Total	**154**	**100.0**	**100.0**
Level of Education			
	Frequency	**Percent**	**Valid Percent**
Masters	10	6.5	6.5
Bachelors	95	61.7	61.7
Diplomas	20	13.0	13.0
Certificate	**29**	**18.8**	18.8
	154	**100.0**	**100.0**

Source: Field data, 2013

From table IV above, the study revealed that majority (57.1%) of the respondents in the study were female. Of these 39.0% were in the age group of 31-40 years, 34.4% were between the age group of 21-30 years, 25.3% were between 41 -50 years and 1.3% were 50 years and above . Furthermore, the study reflected that 61.7% of respondents were bachelors' degree holders, 18.8% had certificates, 13.0% were diploma holders and 6.5% are Master's degree holders.

4.2 The existence of security personnel and safety of fixed assets.

The objective of this study was to ascertain whether the existence of security personnel and leads to safety of fixed assets, and details are presented in the descriptive statistics shown by the values of the respective means and standard deviations of the key empirical references.

Details of these analyses are shown in table V below;

4.2.1 Descriptive results about the existence of security personnel

Table III: Findings about security personnel

	N	Min	Max	Mean	S.D
There are personnel security challenges in Kyambogo to safeguard fixed assets	154	1.00	5.00	3.69	1.105
Theft, fraud and vandalism of assets happens in the University because there is no clear fixed assets checkup procedure by security personnel	154	1.00	5.00	3.27	1.305
Access controls to safeguard fixed assets such as locked doors are not strong enough	154	1.00	5.00	3.60	1.111
Fixed asset listings should be periodically reviewed and compared to assets physically on-hand	154	1.00	5.00	3.63	1.224
The University's personnel security policy should be reviewed to enhance safety of assets	154	1.00	5.00	3.79	1.107
Security classification standards require certain physical security measures and access limitations for particular assets	154	1.00	5.00	3.71	1.090
There is a need to increase security lights, cameras and personnel during emergencies and increased threat situations	154	1.00	5.00	3.81	1.115
Personal recognition techniques to determine authorized and unauthorized individuals entering university premises should be examined	154	1.00	5.00	3.94	.985

Balancing effective control of access for unauthorized persons while providing convenient access for authorized persons is a challenge for the university	154	1.00	5.00	3.72	1.051
Control of access to restricted areas must be provided in a manner which does not contravene the life safety requirements of the fixed assets	154	1.00	5.00	3.45	1.324

Source: Field data, 2013

From table V the study revealed the details of the existence of security personnel under different key statements obtained from the respondents. The statements have been ranked in terms of their means and standard deviations so as to deduce meaning out of the results.Therefore, the details of the table are presented and analyzed as follows;

The findings in table V show that respondents seem to agree that personal recognition techniques to determine authorized and unauthorized individuals entering university premises should be examined (Mean = 3.94 St D=0.985), there were variations in responses to this test as revealed by the standard deviation of 0.985. However, the variations in responses do not show a big movement from the mean.

Furthermore, the study indicated that respondents were in agreement that there is a need to increase security lights, cameras and personnel during emergencies and increased threat situations (Mean = 3.81;St D=1.115). A standard deviation reveals a significant variation in the opinions which could also relate to not clearly understanding the importance of security lights, cameras and personnel during emergencies and increased threat situations.

More still, the study reflects that the University's personnel security policy should be reviewed to enhance safety of assets. (Mean= 3.79; St D=1.107). The corresponding standard deviation suggests that respondents had a significant variation in responses on University's personnel security policy towards the safety of assets. However, this could also be construed to imply that respondents might not have clear understanding of personnel security policy in this context.

In addition to the above, study indicated that majority of the respondents were in agreement that balancing effective control of access for unauthorized persons while providing convenient access for authorized persons is a challenge for the university (Mean = 3.72; St D=1.051). The standard suggests variations in responses by the various respondents.

Furthermore, the study indicated that the respondents were with a view that security classification standards require certain physical security measures and access limitations for particular assets (Mean = 3.71; St D=1.090). Even then the respondents seemed to have varied in their responses regarding security classification standards as revealed by a standard deviation.

Connected to the above, respondents seem to agree that there is personnel security challenges in Kyambogo to safeguard fixed assets (Mean = 3.69; St D= 1.105) .This shows that they generally agree about personnel security challenges in Kyambogo to safeguard fixed assets.

More still, the study revealed that respondents accepted that access controls to safeguard fixed assets such as locked doors are not strong enough (Mean = 3.60; StD=1.111).But since the mean appears so close to the actual average, then the need to closely focus on the variation. Thus, a

standard deviation suggests significant differences in responses on whether access controls to safeguard fixed assets such as locked doors are not strong enough.

Furthermore, the study revealed that respondents agreed that theft, fraud and vandalism of assets happen in the University because there are no clear fixed assets checkup procedure by security personnel (mean 3.27; St D=1.305).

The study also showed that respondents seem to agree that fixed assets listings should be periodically reviewed and compared to assets physically on-hand (Mean = 3.63;StD=1.224). Although the standard deviation provided by the same respondents suggests that they possess varied understanding on whether fixed asset listings should be periodically reviewed and compared to assets physically on-hand to ensure safety of assets or not. This could also imply that fixed assets verification is seldom carried out at Kyambogo University.

In addition, the study showed that respondents seem to agree that control of access to restricted areas must be provided in a manner which does not contravene the life safety requirements of the fixed assets (mean = 3.45;St D=1.324).

4.3 Descriptive results about Authorization for acquisition and use of fixed assets.

Table IV: Findings about Authorization for acquisition and use of fixed assets

	N	Min	Max	Mean	S.D
There is an effective internal control system in respect of purchases and disposals of assets	154	1.00	5.00	3.14	1.294
The purchases and disposals of fixed assets is generally done by authorized person and approved by the university council.	154	1.00	5.00	3.68	1.078
All payments for the purchase of assets are made through crossed cheques and they are prepared after the approval of supporting documents.	154	1.00	5.00	4.02	.967
At the university there are no proper division of duties regarding completing various stages of payments by cheques	154	1.00	5.00	2.99	1.268
The whole procedure for acquisition of assets is authorized and supervised by responsible officer.	154	1.00	5.00	3.57	1.204
Authorization is intended to ensure that assets of the organizations are safeguarded against misuse	154	1.00	5.00	3.94	.988
Authority for acquisition of assets is ascertained by checking the minutes of directors authorizing the expenditure.	154	1.00	5.00	3.44	1.318
Inspection of documents for acquisition of assets such as invoices, receipts is seldom done in the university.	154	1.00	5.00	2.60	1.250

Source: Field data, 2013

From table VI above, the researcher set out to examine authorization for acquisition of assets as a way of ensuring safety of assets. The test statements were equally ranked in terms of their mean and standard deviation as a way of interpreting the results. The details of the survey in this regard are presented and analyzed as follows;

The study (as reflected in table VI) found that the, respondents seemed to agree that the purchases and disposals of fixed assets are generally done by authorized person and approved by the university council (Mean = 3.68; St D=1.078). The standard deviation suggests varied responses regarding who is responsible for purchases and disposals of fixed assets. This is in agreement with what the departmental head highlighted that it is the obligation of the university to have a committee which is responsible for authorization and approval of purchase and disposal of assets after fulfillment of PPDA regulations.

I addition, the study showed that respondents seem to agree that authorization is intended to ensure that assets of the organizations are safeguarded against misuse (Mean = 3.94; St D=.988). However, a standard deviation suggests a significant variation in the responses generated by the respondents.

Also the study revealed that the respondents were slightly in agreement in regard to whether the whole procedure for acquisition of assets is authorized and supervised by responsible officer (Mean = 3.57;St D=1.204), the standard deviation reveals a significant variation in the opinions which could also relate to not clearly understanding the whole procedure for acquisition of assets.

More still the study shows that Respondents agree that Authority for acquisition of assets is ascertained by checking the minutes of directors authorizing the expenditure (Mean = 3.44; St D=1.318).

Furthermore, the study revealed that all payments for the purchase of assets are made through crossed cheques and they are prepared after the approval of supporting documents (Mean = 3.24; St D=.967) implying that they agree with the statement. But since the mean appears so close to the actual average, then the need to closely focus on the variation. Thus, a standard deviation of suggests significant differences in responses.

Furthermore, respondents seem to slightly agree that at Kyambogo University there is an effective internal control system in respect of purchases and disposals of assets. (Mean = 3.14; St D=1.294).The standard deviation shows that there is a clear variation in the responses provided by the respondents about the internal control system in respect of purchases and disposals of assets.

In addition to the above, the study showed that respondents disagree with the statement regarding whether at the university there are no proper division of duties regarding completing various stages of payments by cheques. (Mean = 2.99; St D=1.268). A greater standard deviation figure raises concerns regarding the segregation of duties. The figure of standard deviation further reveals that the respondents had varied opinion about assignment of duties and this could also mean that besides disagreeing about whether there is no proper assignment of duties, they could also be in disagreement with how duties and responsibilities are assigned to staff.

The study further indicates that respondents are not sure as to whether inspection of documents for acquisition of assets such as invoices, receipts is seldom done in the university (Mean = 2.60; St D=1.250). However, the standard deviation suggests that in as much as respondents are not

sure as to whether inspection of documents for acquisition of assets such as invoices and receipts is seldom done in the university, they varied greatly in their responses. This could also imply that the respondents might not be aware of asset verification procedure since they are carried out in audit section and submitted directly to the vice chancellor, management committee or audit committee of the university council.

4.4 Descriptive results about Regular physical inspection of fixed assets

Table V: Findings about Regular physical inspection of fixed assets

	N	Min	Max	Mean	S.D
There is irregular physical inspection of assets in the university to protect assets against misuse	154	1.00	5.00	3.57	1.182
Physical inspection of assets in the university reveals whether asset exist or not	154	1.00	5.00	2.99	1.414
Physical existence of assets are generally matched with asset records at regular intervals and any discrepancies is always investigated	154	1.00	5.00	2.72	1.296
Physical inspection of assets determines whether assets are properly disclosed in final accounts and given their fair value	154	1.00	5.00	3.58	1.256
There is no way to ensure safety of assets without physical inspection of assets	154	1.00	5.00	3.66	1.174
Although physical inspection of assets may reveal the existence of the asset, this may be a misleading act	154	1.00	5.00	3.58	1.153

Source: Field data, 2013

In the table VII above the researcher set out to ascertain whether there is effective physical inspection of fixed assets in the university as a root towards safety of assets in Kyambogo

University. The results were analyzed using means and standard deviations so as to drawing conclusions for the study as follows;

The study as shown in table VII revealed that respondents agreed that there is no way to ensure safety of assets without physical inspection of assets (Mean=3.66; St D=1.174). It should therefore, be noted that physical inspection of assets is important in that whereas an asset may be supported by genuine documents of title, it may not exist in the business or if it does exist in the business , it may be undervalued or overvalued. Thus physical asset must be verified before they can be passed both in their respective accounts.

Connected to the above, the respondents agree that physical inspection of assets determines whether assets are properly disclosed in final accounts and given their fair value (Mean=3.58; St D=1.256).

The study further revealed that respondents agreed with the test statement that "although physical inspection of assets may reveal the existence of the asset, this may be a misleading act" (Mean=3.58; St D=1.153). As much as respondents agreed with the test statement, there were variations in responses as reflected by the standard deviation over the same test from the respondents' point of view.

Furthermore, the respondents agreed that there is irregular physical inspection of assets in the university to protect fixed assets against misuse (Mean=3.57; St D=1.182). The standard deviation reveals varied responses from the respondents interviewed as far as physical inspection of assets in the university is concerned.

Moe still, the study reveals that respondents seem to agree that physical inspection of assets in the university reveals whether assets exist or not (Mean=2.99; St D=1.414). This value is close to the midpoint position, implying that respondents were almost not sure as to whether physical inspection of assets in the university reveals whether assets exist or not. A standard deviation suggests varied responses from respondents as far as physical inspection of assets in the university is concerned.

Furthermore the study has reflected that respondents were indifferent as to whether physical existence of assets are generally matched with asset records at regular intervals and any discrepancies are always investigated (Mean=2.72; St D=1.296). This value is close the midpoint of 3 implying that the respondents do not seem to be sure whether physical existence of assets are generally matched with asset records at regular intervals. Conversely, the standard deviation suggests varied responses from respondents.

4.5 Descriptive results about Safety of fixed Assets

Table VI: Findings about Safety of fixed Assets

	N	Min	Max	Mean	S.D
My department uses the Equipment Loan Form to document when equipment is removed from the department for off-campus work related activities	154	1.00	5.00	3.20	1.310
My department has designated responsibility for ensuring that keys, equipment, purchasing cards and other property items are returned when a staff member separates from employment	154	1.00	5.00	3.34	1.270
My department annually conducts a physical inventory of the fixed asset and sensitive equipment inventory lists	154	1.00	5.00	3.14	1.301
Surplus equipment is disposed off in accordance with university policy and removed from the department's equipment listing	154	1.00	5.00	3.56	1.237
My department has assigned equipment inventory duties to a designated individual	154	1.00	5.00	3.66	1.151
There is a person who is responsible for ensuring that purchased inventoriable equipment is tagged with an inventory sticker.	154	1.00	5.00	3.10	1.287
The department has assigned an individual to maintain the list of sensitive equipment, ensuring that all such purchases are accounted for on the list	154	1.00	5.00	3.44	1.242
My department ensures that equipment transfers and other dispositions are documented in the department's files	154	1.00	5.00	3.48	1.295

Source: Field data, 2013

In the table VI the researcher set out to ascertain safety of assets in the university. The results were analyzed using means and standard deviations so as to drawing conclusions for the study as follows;

The study as shown in table VIII indicated that the respondents were in agreement that their departments have assigned equipment inventory duties to a designated individual (Mean = 3.66; St D =1015). A standard deviation shows significant variation in the opinions which could also relate to not clearly understanding whether their departments have assigned equipment inventory duties to a designated individual.

Furthermore, the study revealed that respondents were in agreement that surplus equipment is disposed off in accordance with university policy and removed from the department's equipment listing. (Mean=3.56; St D=1.237) The standard deviation reveals varied responses from the respondents interviewed as far as asset disposal in line with university policy is concerned.

Furthermore, the study reflected that respondents were in agreement that their departments ensure that equipment transfers and other dispositions are documented in the department's files (Mean = 3.48; St D=1.295). Conversely, a standard deviation suggests varied responses from respondents as far as documentation of equipment transfers and dispositions are concerned. From the interview it was noted that the university has the asset register for all of its assets. This helps in tracking assets to ensure that they are safe. It should therefore be argued that the presence of fixed asset register and proper update thereof can assist the university to safe guard its assets against misuse.

The study further indicated that respondents were in agreement that the department has assigned an individual to maintain the list of sensitive equipment, ensuring that all such purchases are accounted for on the list (Mean = 3.44; St D=1.242). The standard deviation reveals a significant variation in the opinions which could also relate to not clearly understanding the statement. The finding from the interview indicated that there is a need to protect sensitive equipment for the university such as computers because they have a lot of valuable information and data for the university and thus administrators always play that role to ensure that this is done.

The study further revealed that respondents agreed that their departments have designated responsibility for ensuring that keys, equipment, purchasing cards and other property items are returned when a staff member separates from employment (Mean=3.34; St D=1.270). It is worth noting that in as much as the respondent agreed with the test statement, they were tending towards the average value of 3, implying that to some extent the respondents were not sure as to whether their department have designated responsibility for ensuring that keys, equipment, purchasing cards and other property items are returned when a staff member separates from employment.

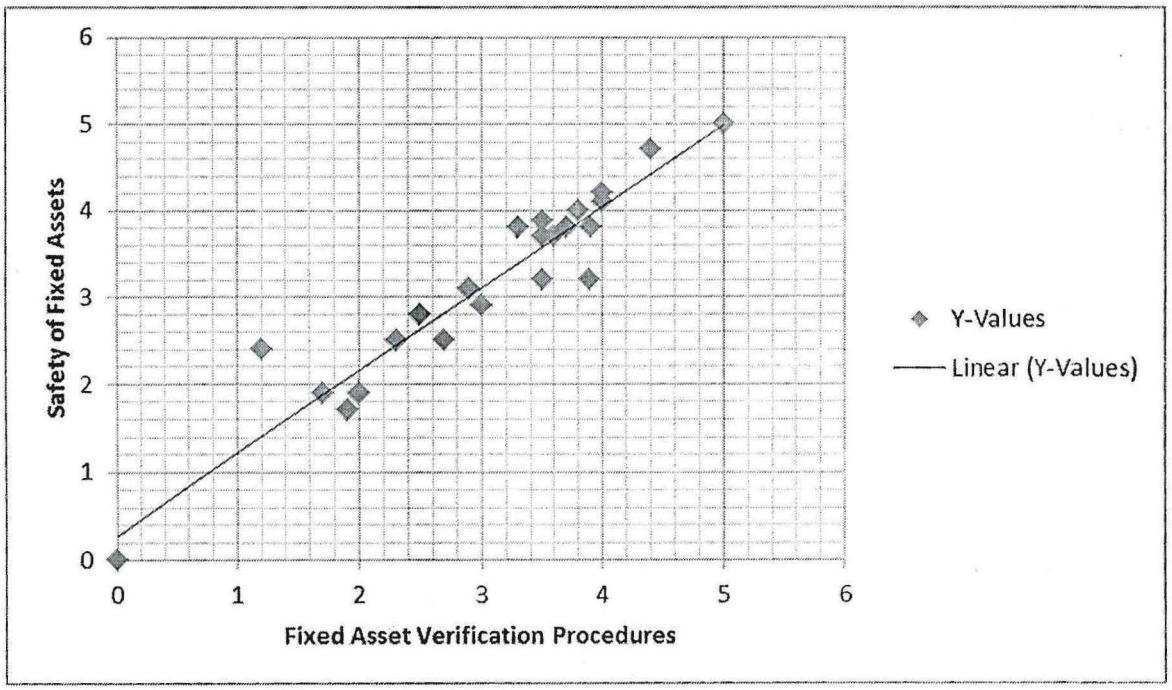
More still, the study indicated that respondents slightly agree that their departments use the Equipment Loan Form to document when equipment is removed from the department for off-campus work related activities (Mean=3.20; St D=1.310). Though the mean is not significantly far from the "not sure" position. The standard deviation reveals that there were varied responses from the respondents interviewed

In addition, respondents seem to marginally agree with statement that their departments annually conducts a physical inventory of the fixed asset and sensitive equipment inventory lists (Mean=3.14; St D=1.30). The standard deviation shows varied responses from the respondents on the same, implying that they have different opinions about carrying physical inventory of the fixed asset. This could also infer that some people don't know whether their departments annually conduct a physical inventory of the fixed asset and sensitive equipment inventory lists.

4.6 Relationship between Fixed assets verification procedures and safety of fixed assets

This section tested the relationship between fixed assets verification procedure and safety of fixed assets in Kyambogo University. In order to test the relationship between the two variables, It was important to first make a pre-condition test for linearity as shown in the figure below:

Figure I: showing linear relationship between Fixed Asset Verification Procedure and Safety of Fixed Assets



From figure I, the study indicated that there is a strong positive linear relationship between fixed asset verification procedure and safety of fixed assets as determined by the closeness of points on the line of best fit and this led the study to determine the correlation of the variables of study as shown in the next tables: -

Table VII: Correlations

Model	R	R Square[b]	Adjusted R Square	Std. Error of the Estimate
1	.987[a]	.975	.975	4.33355

Source: Field data, 2013

From table IX, the study showed a strong positive linear relationship between the existence of security personnel, authorization for acquisition and use of fixed assets, regular physical inspection of fixed assets and safety of fixed assets (r = .987), The existence of security personnel, authorization for acquisition and use of fixed assets and regular physical inspection of fixed assets significantly affects safety of fixed assets positively by 97.5% and 2.5% is due to other factors.

Table VIII: ANOVA[c,d]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	111041.268	3	37013.756	**1970.947**	.000[a]
	Residual	2835.732	151	18.780		
	Total	113877.000[b]	154			

Source: Field data, 2013

Furthermore, from table X these findings were statistically significant (F = 1970.947, $p < .05$). Thus, this implies that;

- The existence of security personnel predicts safety of assets.
- Authorization for acquisition and use of fixed assets predicts well safety of fixed assets.
- Regular physical inspection of fixed assets predicts well safety of fixed assets.

In addition, the coefficients of each fixed assets verification procedure indicators show that Security Personnel and continuous fixed asset checkups, Authorization for acquisition and use of fixed assets and Regular physical inspection of fixed assets significantly affect safety of fixed assets ($p < .05$)

Table IX: Regression analysis results Coefficients[a,b]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	Security Personnel	.396	.066	.535	5.968	.000
	Authorization for acquisition of Assets	.265	.085	.270	3.114	.002
	Regular Physical Inspection	.250	.110	.187	2.277	.024

a. Dependent Variable: Safety of Assets
b. Linear Regression through the Origin

Source: Field data, 2013

From table XI above, Security Personnel and continuous fixed asset checkups most affects safety of fixed assets ($t = 5.968$) followed by Authorization for acquisition and use of fixed assets ($t = 3.114$) and Regular physical inspection of fixed assets ($t = 2.277$), respectively.

CHAPTER FIVE

DISSCUSION, SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the discussion of findings, summary of findings, conclusions and recommendations. It is divided into four sections. The first section presents the discussion of findings; the second section covers the summary of findings according to the objectives. The third section presents conclusions and fourth section presents recommendations.

5.1 Discussion of findings

5.1.1 The existence of security personnel and safety of assets.

The findings of the study indicated that there are personnel security challenges in Kyambogo to safeguard fixed assets from theft, fraud and vandalism. That the happening of security challenges is due to lack of clear fixed assets checkup procedure by security personnel, lack of strong locks and doors, it takes long to review and compare assets physically on-hand as they appear in registers, ineffective security policy and poor personal recognition techniques to determine authorized and unauthorized individuals entering university premises.

The results from an interview held with one of the departmental heads about personnel security challenges said;

> *"We have complained a lot about getting experienced security officers at university to guard against the theft of our assets but it seems that all our effort has not resulted into good results. Every now and then we lose valuable assets and this compromises efficient execution of tasks. We need to get security personnel who will manage to protect our assets.* He further asserted about theft, fraud and vandalism of assets,
> *It is not a surprise that acts of theft and misuse of university assets continue to escalate. Imagine how can the university chairs get lost from the lecture rooms, yet the university is proud that it has a strong fixed assets checkup procedure by security personnel. What I believe is that assets checkup procedure adopted by security personnel is weak or there*

are some weakness in the internal controls and inefficiencies in the protection of valuable assets of the university."

From the foregoing therefore, it should be assumed that loopholes in the protection of university assets as acts of theft, fraud and vandalism of assets happens in the University because of weak fixed assets checkup procedures by security personnel.

The findings from the interview also indicated;

"Valuable fixed assets are left in open places and it becomes easier for a person to take a chance to misuse the asset for personal gain. In fact some people use university vehicles for their private business and in the end the university end up losing."

It should therefore, be stated that physical security in the university such as locks, strong doors must be put in place. Example was Motor Vehicles Park; the place should be fenced and locked to limit easy access by unauthorized people.

There is a strong linear relationship between the existence of security personnel and safety of fixed assets ($r = .987$). These findings were significant ($p < .000$). Thus, the research question which states that: "Does the existence of security personnel lead to safety of fixed assets?" was answered. The implication of this finding is that inefficient security personnel affects negatively safety of fixed assets. This is in agreement with Messier (2007) that certain environments present substantial security challenges to businesses attempting to operate in a safe and professional manner. Theft, fraud, vandalism, and malicious activity, accidental or intentional loss or damage by employees or members of the public, and natural events (such as power failure, fire or flood) are likely threats to assets that could deprive the organization of their use, and disrupt program and service delivery. In this case therefore, Lewis (2005), adds further that all assets should be kept in a secure location, maintained regularly, insured against theft or

destruction, utilized economically and efficiently. From the foregoing therefore it should be stated that effective security personnel and continuous fixed assets checkups affect lead safety of assets.

5.1.2 Authorization for acquisition and use of fixed assets and safety of fixed assets.

The study revealed that although there exists internal control system in respect of purchases and disposals of assets and that all payments for the purchase of assets are made through crossed cheques and they are prepared after the approval of supporting documents and approved by the university council, the study noted that inspection of documents for acquisition of assets such as invoices, receipts is seldom done in the university which affects adversely safety of assets.

In an interview, one of the departmental heads said,

Kyambogo University is a public institution and that it must follow the procurement regulation and disposal of assets as set in the PPDA Act of 2003. Although the purchases and disposals of assets has, for long, been overshadowed with inefficiency, corruption and disregard of fundamental "value for money" considerations, there is no way the university can violate Public Procurement and Disposal and thus there are effective control over purchases and disposals of assets .He further posed various questions such as,

> *"How can we protect our university from rogue spending, conflicts of interest and a myriad of other issues? The answer to this, is, have trained workers. Again have all suppliers been vetted through the same process, or have some been given preference because of whom they know? When evaluating a potential supplier, is there a process in place that ensures that all potential conflicts of your evaluation team are known? The answer to that is centered on having people with skill to do that?"*

From the foregoing therefore, it should be argued that transparency issues are central in ensuring safety of assets therefore; the whole procedure for acquisition of assets should be authorized and supervised by responsible officer.

The study indicated that there is a strong linear relationship between the authorization for acquisition and use of fixed assets and safety of fixed assets ($r = .987$). These findings were significant ($p < .000$). Thus, the research question which states; "Does authorization for acquisition and use of fixed assets lead to safety of fixed assets?" This is in agreement with Lewis (2005), that there should be an effective internal control system in respect of purchases and disposals of assets. Usually the purchases and disposals of these assets should be authorized and approved by the boards of directors of the company. Sometimes, the authority of approving any purchase or disposal of fixed assets acquired or disposed of during a particular year should be duly authorized. With this assertion therefore, the acquisition of fixed assets and disposal should be authorized by shareholders or board of directors.

5.1.3 Regular physical inspection of fixed assets and safety of fixed assets

It was found out that there is irregular physical inspection of fixed assets in the university to protect them against misuse and since this takes time to happen, physical inspection of fixed assets may reveal the existence of the asset.

From an interview with one Dean, it was revealed,

> *Audit of physical assets is carried out annually and it becomes hard to detect which assets were misused during the year. There is a need to frequently inspect these fixed assets if the university is to protect its assets safely.*

It should be argued that irregular inspection has played a big part towards the misuse of assets in the university.

The study highlighted that there is a strong linear relationship between regular physical inspection of fixed assets and safety of fixed assets (r = .987). This is in line with Morgan (2007) that physical existence of fixed assets is central in guarding against the misuse of fixed assets. The auditor must inspect whether assets for the business actually exist ensure safety of organizational assets. Physical existence of assets should be matched with asset records at regular intervals and any discrepancies should be investigated. Assets disposed of should be removed from the records and adjustments in the asset register should be made to ensure accuracy of records and this exercise should be supervised by some senior responsible officials. This shows that physical inspection of existence of assets in the organization leads to safety of assets.

5.2 Summary of the major Findings

The finding indicated that there is a strong linear relationship between the existence of security personnel and safety of fixed assets. It was highlighted that improving the security personnel and , using strong lock; camera and improving the security policy can lead to safety of fixed assets in the University.

It was discovered that there is a strong positive correlation between the authorization for acquisition and use of fixed assets and safety of fixed assets. It was further noted that effective internal control system in respect of purchases and disposals of assets has a positive bearing on safety of assets. That, the whole process should be authorized and approved by the university council.

The study highlighted that there is a strong linear relationship between regular physical inspection of fixed assets and safety of fixed assets. It should therefore be summarized that regular physical check-ups by responsible officer to ensure that the asset exists leads to safety of assets. The existence of fixed assets as shown in the statement of financial position should be confirmed. Some assets may be stolen or destroyed but still those assets appear in the balance sheet. This entails that physical inspection of assets reveals whether asset exist or not.

5.3 Conclusion

This study focused on fixed assets verification procedures and safety of fixed assets in organizations using a case study of Kyambogo University. The study indicated that fixed asset verification procedures together with its attributes of the existence of security personnel, authorization for acquisition and use of fixed assets and regular physical inspection of fixed assets have a direct bearing on safety of fixed assets. The study indicated that fixed assets verification procedures account for 97.5% variation in safety of fixed assets. Security Personnel most affects safety of fixed assets ($t = 5.968$) followed by Authorization for acquisition and use of fixed assets ($t = 3.114$) and Regular physical inspection of fixed assets ($t = 2.277$), respectively.

5.4 Recommendations

Based on the findings, discussion and conclusions, it is recommended in this study that;

The management should ensure that the control systems and procedures put in place are effective so as to eliminate unauthorized use of organizational resources

The audit department should ensure that all assets are kept in a secure location, maintained regularly, insured against theft or destruction, utilized economically and efficiently.

The procurement manager should inform the organization's management of the acquisition or disposal of a significant fixed asset, and the relevant particulars of the transactions should be submitted to the executive authority for approval.

The study further recommends that the audit department should ensure that fixed assets listings are periodically reviewed and compared to assets physically on-hand. Missing items should be investigated, resolved, and analyzed for possible control deficiencies.

The management should ensure that there should be an effective internal control system in respect of purchases and disposals of fixed assets. The process should be authorized and approved by the university council or boards of directors of the company.

The management should ensure that there is adequate security over fixed assets. Physical controls must be intact to limit unwarranted accessibility. That, organizations should use strong lockers and padlocks, security dogs, security cameras, security guards, strong fences as some of physical controls that should be put in place to prevent unauthorized officials to use company's asset.

There should be regular check-ups by responsible officer to ensure that the fixed assets exist. The existence of fixed assets as shown in the balance sheet should be confirmed. Some fixed assets may be stolen or destroyed but still those assets appear in the balance sheet. This entails that physical inspection of assets reveals whether they exist or not.

The study highlights that fixed assets disposed of should be removed from the records and adjustments in the assets register should be made to ensure accuracy of records and this exercise should be supervised by some senior responsible officials.

5.5 Areas for Further Research

The study suggests an investigation to be conducted on Fixed Assets Controls put in place by Kyambogo University or any other institution to enhance safety of assets.

Further more, the study recommends that an investigation should be done entirely on each fixed assets verification procedures to ascertain more details on each say physical inspection of fixed assets.

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APPENDIX 1: QUESTIONNAIRE

Dear Sir/Madam,

I am AKATUHEREZA EDSON RELIC conducting a study on **"Fixed Assets Verification Procedures and Safety of Fixed Assets in Kyambogo University"** as a partial fulfillment of the requirement for award of a Masters of Business Administration of Kyambogo University. The information given will be treated with maximum sincerity and for academic purposes only. Your contribution will be highly appreciated. Please spare some time to answer the following questions.

INSTRUCTIONS:

Please tick or fill in the blank space with what is most appropriate to you.

Part A: Bio Data

1. Sex: Male ☐ Female ☐

2. Age in year 21-30 ☐ 31- 40 ☐ 41-50 ☐ 51+ ☐

3. Level of Education
   a) Masters ☐
   b) Bachelors ☐
   c) Diploma ☐
   d) Certificate ☐
   e) Others ☐

Part B:

Please rank the following statement on likert scale ranging from strongly disagrees to strongly agree. Where; 1= strongly disagree, 2= disagree, 3= not sure, 4= agree and 5= strongly agree

security personnel		**1**	**2**	**3**	**4**	**5**
1	There is personnel security challenges in Kyambogo to safeguard fixed assets					
2	Theft, fraud and vandalism of assets happens in the University because there are no clear fixed assets checkup procedure by security personnel					
3	Access controls to safeguard fixed assets such as locked doors are not strong enough					
4	Fixed asset listings should be periodically reviewed and compared to assets physically on-hand					
5	The University's personnel security policy should be reviewed to enhance safety of assets					
6	Security classification standards require certain physical security measures and access limitations for particular assets					
7	There is a need to increase security lights, cameras and personnel during emergencies and increased threat situations					
8	Personal recognition techniques to determine authorized and unauthorized individuals entering university premises should be examined					
9	Balancing effective control of access for unauthorized persons while providing convenient access for authorized persons is a challenge for the university					

10	Control of access to restricted areas must be provided in a manner which does not contravene the life safety requirements of the fixed assets					

Part C: Authorization for acquisition and use of fixed assets

		1	2	3	4	5
11	There is an effective internal control system in respect of purchases and disposals of assets					
12	The purchases and disposals of fixed assets is generally done by authorized person and approved by the university council.					
13	All payments for the purchase of fixed assets are made through crossed cheques and they are prepared after the approval of supporting documents.					
14	At the university there are no proper division of duties regarding completing various stages of payments by cheques					
15	The whole procedure for acquisition of fixed assets is authorized and supervised by responsible officer.					
16	Authorization is intended to ensure that fixed assets of the organizations are safeguarded against misuse					
17	Authority for acquisition of fixed assets is ascertained by checking the minutes of directors authorizing the expenditure.					
18	Inspection of documents for acquisition of fixed assets such as invoices, receipts is seldom done in the university.					

Surplus equipment is disposed off in accordance with university policy and removed from the department's equipment listing					
My department has assigned equipment inventory duties to a designated individual					
There is a person who is responsible for ensuring that purchased inventoriable equipment is tagged with an inventory sticker.					
The department has assigned an individual to maintain the list of sensitive equipment, ensuring that all such purchases are accounted for on the list					
My department ensures that equipment transfers and other dispositions are documented in the department's files					

33. Suggest possible ways of enhancing safety of assets in Kyambogo University

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Thanking you for your participation.

APPENDIX II: QUALITATIVE DATA COLLECTION TOOL (KEY INFORMATION INTERVIEW GUIDE)

1. What do you understand by the term fixed assets verification?
2. What is the main procedure followed in fixed asset verification?
3. It is believed that fixed asset verification has a direct bearing on safety of assets. Do you agree?
4. Does Kyambogo University have security personnel to ensure that fixed assets are protected from misuse?
5. Is there continuous fixed assets checkup to ascertain their existence and safety?
6. Is there the authority for acquisition and disposal of fixed assets in the University?
7. If yes, who has the authority to acquire and dispose of university fixed assets?
8. Does the university conduct physical inspection of fixed assets ascertain their existence?
9. Who does the exercise of physical inspection of fixed assets?
10. Does physical inspection result into safety and proper usage of assets of the university?

Thank you for taking time to participate in this interview

APPENDIX 3: R.V. KREJCIE AND D. W. MORGAN (1970) SAMPLE SIZE ESTIMATION TABLE

*N**	*S*†	*N*	*S*	*N*	*S*	*N*	*S*	*N*	*S*
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

*N is the population

†S is the sample size

APPENDIX 4: Validity statistics

Variables of Fixed assets verification procedure and safety of assets	**Content Validity Index**
Security Personnel and safety of fixed assets	.706
Authorization for acquisition and use of fixed assets and safety of fixed assets	.773
Regular physical inspection of fixed assets and safety of fixed assets	.707

Reliability statistics

Variables of Fixed assets verification procedure and safety of assets	**Cronbach Alpha Value**
Security Personnel and safety of assets	.7571
Authorization for acquisition and use of fixed assets and safety of assets	.7711
Regular physical inspection of fixed assets and safety of assets	.7822