



Summary of Survey Responses from TCOP on Fixed Assets (Non-Financial)

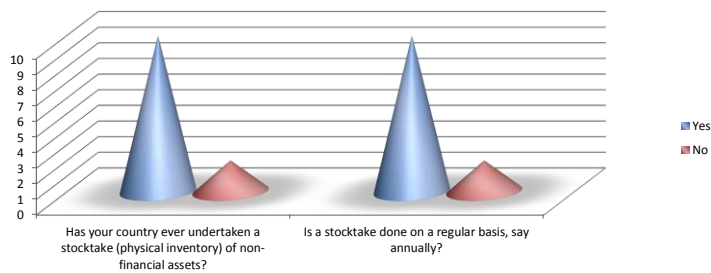
Mark Silins

10 February 2014

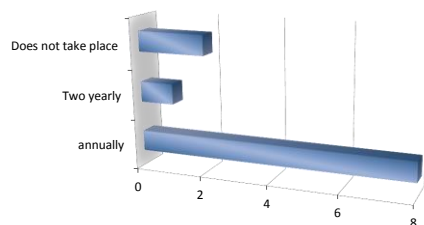
Tbilisi, Georgia



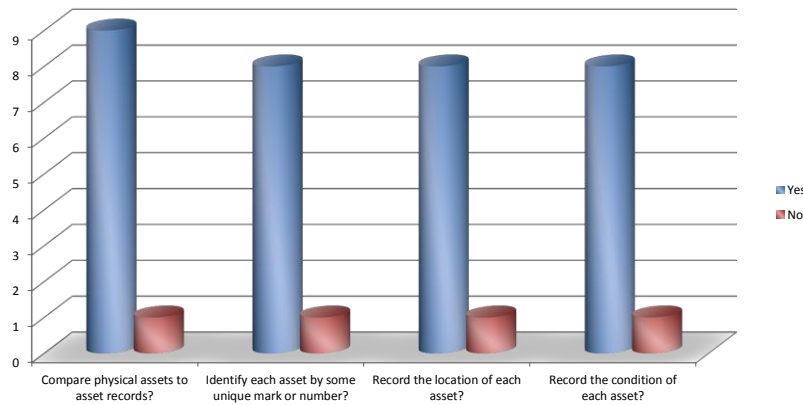
Q1- Stocktake of Non-Financial Assets



Frequency of the stocktake



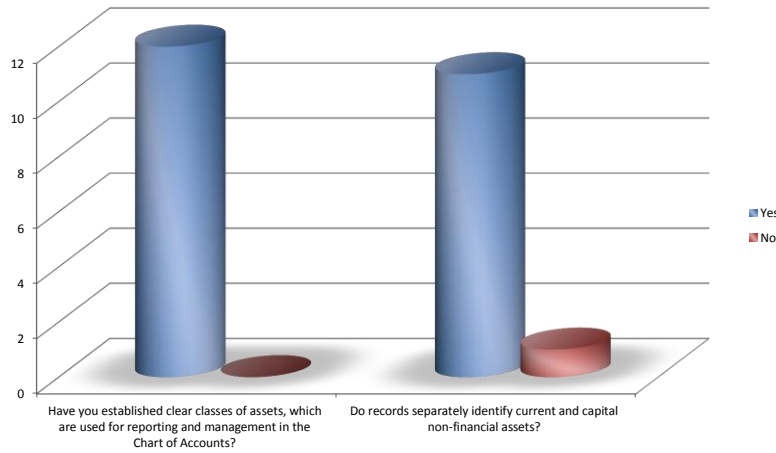
If you have undertaken a stocktake does it:



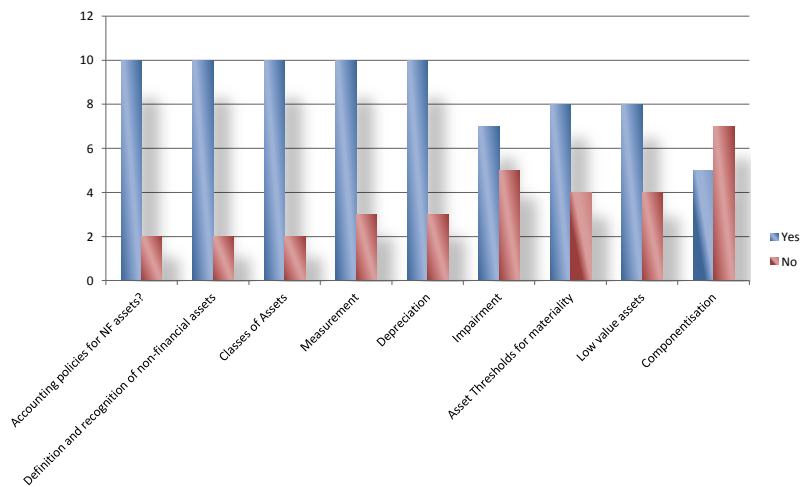
Country issues with Stock-takes

- Accounting method for military equipment, modernization and write-off;
- Whether to write off and dispose of obsolete assets;
- Appropriate action for (assets) valuables which are not utilised;
- Using assets where their value has been reduced;
- How to account for current assets?
- What to do with an asset, which is 100% depreciated, but it is still suitable for use? Do we need to revalue this asset and if so what method of revaluation should apply?

Classes of Non-Financial Assets



Accounting Policies



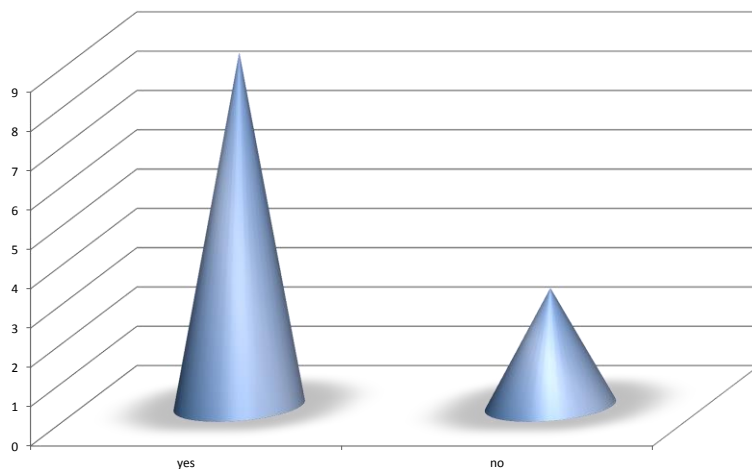


Additional Policies

low-value and short-life items are not defined in the accounting and reporting national standards of the Republic of Kazakhstan as a class of assets – this is in accordance with IPSAS requirements and the accrual method

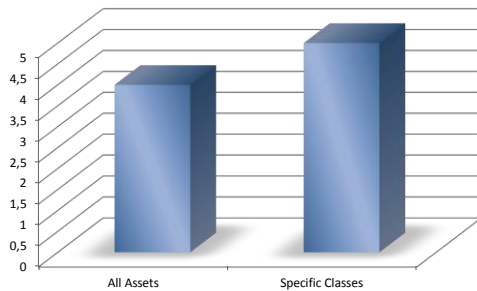


Does your country maintain an Assets' Register?



Coverage of Assets' Registers

Register is for all assets or Specific classes

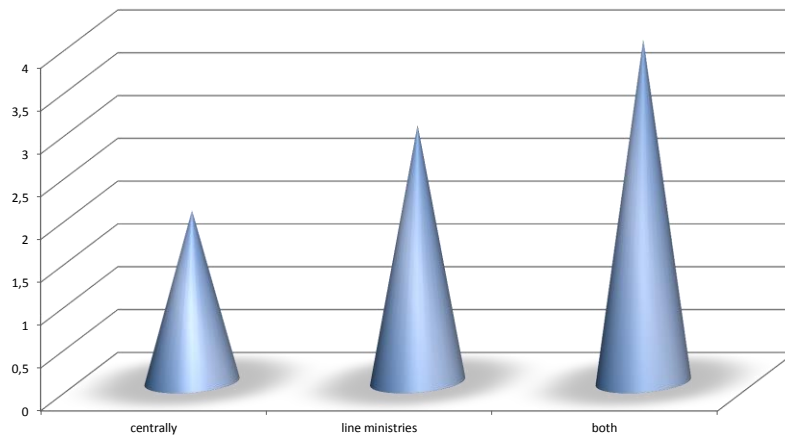


Building, constructions equipment, vehicles capital assets, low-value and short-life items

Capital assets (buildings, constructions, machinery and equipment, transport, etc.)

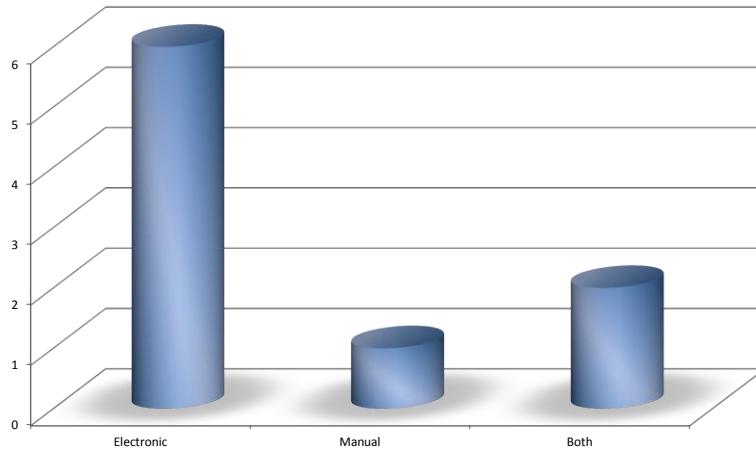
Buildings; Engineering constructions; land ; construction in progress, and other immovable assets; aircraft; marine and river vessels; cosmic objects; road vehicles; electric vehicles; farm equipment; equipment, inventory and other movable property; military equipment; special objects of the civil rights; plantations; and objects of intellectual property rights.

Is the assets' register maintained centrally



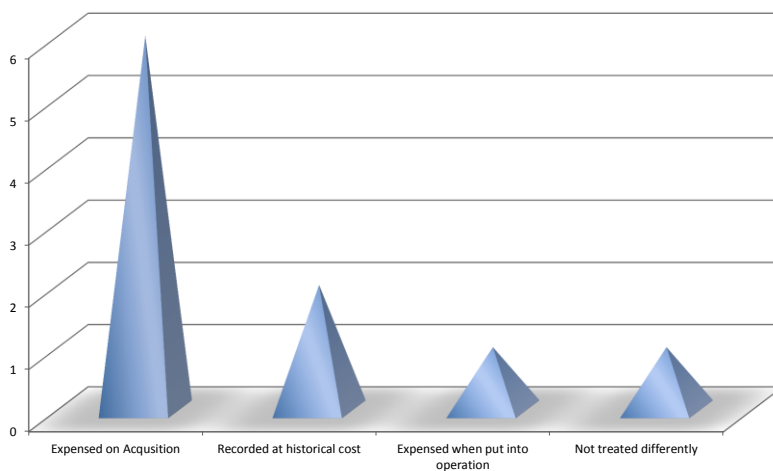
Public Expenditure Management
Peer Assisted Learning

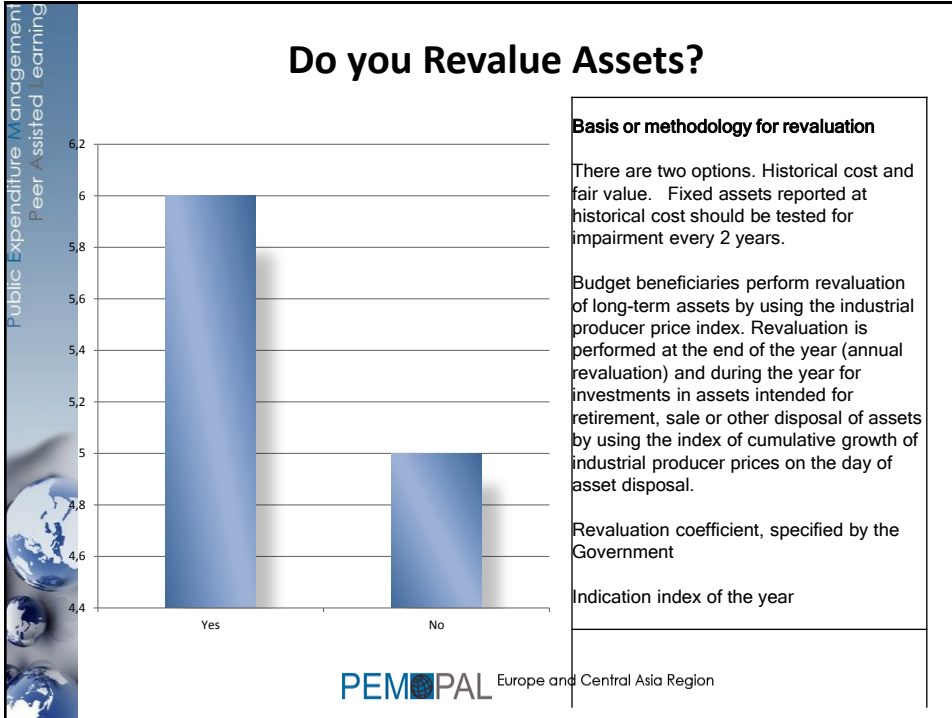
Is the assets' register electronic



Public Expenditure Management
Peer Assisted Learning

How do you account for low value Assets?





- ### Revaluation Continued
- What is the frequency of revaluations?
 - Annual (3)
 - 5-10 years (1)
 - On disposal and if asset value essentially differs from its fair value (1)
 - Are specific classes of assets revalued? - three countries stated yes and two no
 - It is a matter of budgetary entities' accounting policy. All entities should apply a unified accounting policy.
 - revaluation is performed for long-term assets (tangible and intangible assets)
- PEMOPAL Europe and Central Asia Region



Further Issues Raised by Countries

- Non-financial assets are not valued at their real cost;
- State property is not entirely covered by the financial statements of public sector entities;
- There is no unified information base (register) in the public sector for non-financial asset reporting - It is not determined in what books a public sector entity has to keep records;
- In many cases, the state property transmitted to a public sector entity does not specify asset value, which leads to allocation of additional resources from the budget for valuation purposes;
- Problems of depreciation method (we apply linear accrual method, which is not efficient for all types of assets);
- Can two asset valuation methods be used at the same time? Identification of groups where revaluation should be applied;
- Identification of non-financial assets by sources makes accrual depreciation and property tax calculation more difficult due to different regulations;
- Separation of capital and current expenditure for repairs within the same project (according to the same budget estimate);



Further Issues Raised by Countries (2)

- How a public sector entity can determine the economic benefit of an asset? How to evaluate and determine its value (e.g. intangible asset web page)?
- Methods of revaluation of long-term assets;
- Provision of a rationale for **profits** and critical budgetary expenses for revaluation;
- No revaluation of assets during their life-cycle;
- The problem of asset records in the centralised general ledger maintained with the Treasury Administration;
- The problem of division of assets by government level;
- Who records the accountings for land, ownership of which belongs to the state and economic benefits also are received by the state?
- Is there a value above which non-financial assets are recognised?
- How do you value intangible assets?
- Whether it is necessary to allocate a separate class for accounting for military equipment in the accounting records?