# PEMPAL TCOP – Report on the Survey on Non-Financial Assets

The survey was organized at the initiative of the Treasury Community of Practice (TCoP) and was designed to collect information from all countries represented in TCoP on non-financial assets. Invitation to take part in the survey was sent to all TCoP member countries. The survey started collecting responses on 6th of December, 2013. 12 countries responded by the deadline of 10 January, 2014 (Bulgaria, Croatia, Georgia, Kazakhstan, Macedonia, Moldova, Montenegro, Russia, Serbia, Tajikistan, Ukraine and Uzbekistan). The survey was designed in three languages: English, Russian, and Bosnian. The Survey comprised 23 questions.

The details on the country responses and interpretation of the results are summarized in the following report.

**Stock-take of Non-financial Assets**

*The section was designed to determine whether countries undertake regular stocktakes of assets and the scope of the stocktaking exercise.*

**Q2. Has your country ever undertaken a stock-take (physical inventory) of non-financial assets? Is a stock-take done on a regular basis, say annually?**

There were twelve responses (100%) to question 2. Ten countries indicated they undertake a stock-take on a regular basis and two indicated that they do not.

***Figure 1 - Stock-takes***

**Q3. If a stock-take has been undertaken what is the frequency of the stock-takes?**

Of the 10 countries that had undertaken a stock-take, five indicated that they conduct an annual stock-take, one country undertakes a stock-take every two-years, and four countries did not respond. It was assumed for the survey that a nil response meant annual stock-takes, ***however, this assumption should be tested with the non-responding countries.***

***Figure 2 – Frequency of Stock-take***

**Figure 3 shows the responses to question 4 regarding how** the stocktake has been undertaken. Nine of the ten countries[[1]](#footnote-1) that undertake a stock-take compare physical assets to asset records. Eight of the nine[[2]](#footnote-2) countries when undertaking a stock-take identify the asset by some unique number or make, record the physical location of the assets, and record the condition of each asset.

***Figure 3 – How the stock-take is undertaken***

The final questions regarding asset condition would be one determining factor whether an asset would need to be tested for impairment.

**Q5. What are some of the common issues which arose as a result of the stock-take?** This was an open question to test whether there were major issues that countries would like advice on, and for which clear policies should be developed. The issues have been grouped by the specific subject area below:

**Military Equipment**

* Accounting method for military equipment, modernization and write-off.

**Obsolete assets**

* Whether to write off and dispose of obsolete assets.
* Appropriate action for (assets) valuables which are not utilized.

**Adjustments to depreciation of assets**

* Using assets where their value has been depreciated.
* 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?

**Establishing Asset thresholds for low value Assets**

* How to account for current assets (low value assets)?

*Each of the issues raised by respondents is important and should be directly addressed in any accounting policy document developed by the Thematic Group. The questions also suggest that in many countries, while stock-takes are undertaken, there maybe significant assets management and accounting issues in using this information for the purposes of deriving information for financial reporting purposes. For example, it is expected that in some cases, the useful life of assets will be different to the depreciation rates which are being applied. This is the purpose of revaluation and impairment reviews - to ensure that adjustments are made to these rates so that the depreciation expense applied over the useful life of the asset largely matches its actual usage.*

**Classes of Non-Financial Assets**

*The purpose of this section was to determine firstly whether countries had already established clear classes of assets, and then to assess whether a degree of consistency exists across the countries which could provide a useful template for a policy and procedures manual.*

**Q6. Have you established clear classes (groups) of assets, which are used for reporting and management in the Chart of Accounts?**

All twelve countries (100%) replied “Yes”.

**Q7. Do records separately identify current and capital (or fixed) non-financial assets?**

Eleven countries replied “Yes” to this question and one no.

***Figure 4 – Classes of Assets***

Question 7 sought to deal with the issue of low value non-financial assets. In some countries while assets were brought to account at “cost”, they were not depreciated, revalued or reviewed for impairment. Thus low value assets that might typically be fully depreciated at acquisition (expensed) are overstated in the accounts regarding their values, and other significant assets such as buildings, are probably undervalued for reporting purposes[[3]](#footnote-3). Historically land has generally not been treated as a non-financial asset, although this is changed for some countries based on some of the survey responses.

**Q8. Please indicate the classes of capital non-financial assets that exist in your country, and the depreciation method (e.g. straight line, reducing balance) and depreciation period (i.e. number of years of estimated life over which the asset is depreciated) for each class.**

Ten countries responded to this question. Appendix C summarises the responses. The table interprets the responses and tries to assess whether a set of uniform classes may exist across the ten respondent countries. It does this by also mapping the responses against the GFSM2001[[4]](#footnote-4) classification for non-financial assets, and the indicative classes referred to in IPSAS 17[[5]](#footnote-5) for property, plant and equipment. It appears that the most uniform set of classes can be developed around a GFSM2001 structure.

***Table 1 – Mapping of respondent classes to the GFSM2001 structure for non-financial assets – Total number of countries with relevant classes***

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Land | Residential  Non-residential Buildings | Structures | Transport Equipment | Other Machinery and Equipment | Specialist Military Equipment[[6]](#footnote-6) | Subsoil Assets | Cultivated Assets | Other naturally occurring Assets | Inventory | Intangible Fixed Assets | Intangible Non-produced Assets | Valuables |
| 5 | 9 | 8 | 7 | 9 | 0 | 3 | 7 | 4 | 2 | 7 | 0 | 2 |

The general results of appendix C are summarized in Table 1. While complete uniformity across countries would not be possible nor is it necessary, there would be benefits in the asset working group of TCoP developing a set of uniform classes around which it also develops typical accounting policies. Countries could then choose to adopt or modify the classes to suit local requirements. Issues arising from the table are:

* Only five countries have a separate class for land while five do not which probably reflects the traditional view that land is owned by the state and does not have a value;
* Nine countries have buildings either as a single class or have a number of classes which map to this description – included here are residential, recreational and commercial buildings;
* Eight countries appear to have classes that correlate with Structures in GFSM2001. Again descriptions varied and included, transmission equipment, non-financial assets under construction (which may be broader than structures). It is likely that the attempt to map to structures in GFSM2001 is not entirely successful given the translation of the descriptions;
* Seven countries included a description that mapped to transport equipment in GFSM2001. One country included communication equipment in the same class;
* Nine countries included descriptions that map to other machinery and equipment in GFSM2001. Various descriptions were present including plant, equipment, instruments, tools, computers and equipment for maintaining offices;
* No country currently has a separate class of assets for military equipment[[7]](#footnote-7), although it has been raised as an issue by a number of countries;
* Just three countries have subsoil assets as a class although one description included here, natural resources, may not be correctly mapped;
* Seven countries have descriptions that closely aligned with cultivated assets in GFSM2001. These included: self generating and regenerating assets, productive and draft animals, fruit trees, vines and multi-annual plantations and livestock;
* Four countries had classes that mapped closely with the other non-produced assets description from GFSM2001, although one country had the description self-generating and regenerating assets that could also be allocated to the previous description category. Other descriptions included biological assets, other non-produced assets, and lands forests and perennials (land is incorrectly mapped in this case);
* Two countries had stores or inventories as a class, specifically Medicaments and dressing/food products/motor fuels/construction material for one country and Linen, bed things, clothes and footwear for another;
* Seven countries had intangible assets as a class, with one country specifically identifying long term intangibles - no distinction is made between intangible produced and non-produced assets which is the case in GFSM; and
* Two countries have a class for valuables.

In addition four countries had library books as a class that is not a specific a category for GFSM. In addition one country had heritage assets and another a specific class for investment property. There was also a range of “other” classes where the description appeared to crossover two or more GFSM2001 classes.

*Table 1 suggests a reasonably strong correlation between most countries and GFSM2001 with seven classes reflected in five or more countries. In addition one further class inventory appeared in four countries along with an additional non-GFSM class for library books. This would indicate that there would be benefits in creating a general set of classes in a policy manual and exploring common policy and procedural issues for each class.*

A further element included in the request for information on classes relates to the method for depreciation and the time period to be applied. Six countries provided responses in relation to the classes, although two countries did not specify depreciation rates. Table 2 uses the same GFSM classes from Table 1 to group the responses for the purposes of comparison. Only items where a country reported the depreciation rates are included. With one exception straight line depreciation was applied. The one exception related to Serbia’s use of a declining balance approach for intangible long-term assets.

***Table 2 – Depreciation of Assets – Country comparison***

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Country | Residential  Non-residential Buildings | Structures | Transport Equipment | Other Machinery and Equipment | Cultivated Assets | Inventory | Intangible Fixed Assets |
| Cro | 1.25-5% |  | 5-10% | 12-25% | 20% |  | 10-25% |
| Mac | 1-7% |  | 10-30% | 10-20% | 20% |  | 20% |
| Mon | 4% | 4% |  | 10-20% | 10-20% |  |  |
| Ser |  |  |  | 2-20% | 10-20% |  | 10-20%[[8]](#footnote-8) |
| Ukr | 2-10% |  | 5-14% | 2-7% | 14-20% | 50% |  |
| **Sum** | **1.25-10%** | **4%** | **5-30%** | **2-25%** | **10-20%** | **50%** | **10-25%** |

*While some uniformity in depreciations rates is evident, the lack of specific detail on the sub category/class of assets to which each rate applies makes this information difficult to assess and use. A more detailed analysis could be beneficial, although the variances in what is included within each class will also be a factor reducing the effectiveness of comparisons of this nature. What would be useful is a discussion between working group members regarding some of the variances between countries, including the use of a declining balance approach by Serbia for long-term intangible assets.*

**Accounting Policies**

*The next two questions were included to determine the coverage of accounting policies in each country.*

**Q9-Q10. Does your country have accounting policies for the management of non-financial current and/or capital (fixed) assets in the public sector? Please indicate if you have an accounting policy for the following (see figure 5)?**

***Figure 5 – Accounting Policies***

There were 12 responses to question nine regarding whether accounting policies existed for non-financial assets. Two countries do not have any policies while 10 countries have indicated that they do have policies. Of the ten countries with accounting policies for non-financial assets, at least five countries have an accounting policy in each area that a question was posed. The policy with the least number of countries is componentization where an equal number of respondents have a policy as do not have a policy (five). This means that even in this area, the working group has five countries where the existing policies could be reviewed and a general policy developed for the TCoP.

Kazakhstan in its response made the important point that it does not have a specific policy for low value assets, but that these are treated in accordance with the general policies for all assets. Notwithstanding this it is likely that Kazakhstan has implemented asset thresholds below which assets are expensed, and above which they are recorded in the assets register for financial reporting and management.[[9]](#footnote-9)

*This is an area worthy of further investigation including collecting information regarding threshold levels in each country for acquisition and capital repairs, and how these thresholds were determined, as this would be useful in developing a guidance note for country implementation. While the survey does not provide an indication regarding the quality of the policies and whether the policies accord with IPSAS, it does indicate that reviewing existing policies within the working group and benchmarking these against good practice would be a useful starting point.*

**Asset Registers**

*An important element of being able to report the stock of non-financial assets in the financial statements, is the establishment of an assets register, where the cost of assets acquired or constructed are recorded, along with other important financial and non-financial information, such as location, organizational unit controlling the asset, descriptions, accumulated depreciation and revaluation or impairment changes. This series of questions is in place to determine whether such a register exists, and how it is maintained.*

**Q11 Does your country maintain an assets’ register for managing non-financial assets?**

***Figure 6 – Assets’ Register***

All 12 countries responded, with nine indicating that they do maintain a register while three indicated that they do not maintain a register.

**Q12. Is the register for all non-financial assets or for specific classes of assets?**

***Figure 7- Scope of the Assets’ Register***

Of the nine countries that responded, four indicated the registers included all assets, while five indicated that the register only included specific types of assets. Where a country indicated that the register was for specific types of assets it was further requested to provide details on the types of assets included.

Countries where the register is only for specific types of assets provided the following responses:

* Buildings, construction equipment, and vehicles
* Capital assets, low-value and short-life items
* Buildings, land and equipment
* Capital assets (buildings, constructions, machinery and equipment, transport etc)
* Real estate (immovable property): - building - engineering constructions - land - construction in progress - other assets (items), with immovable status (the rights to which are subject to state registration): - aircrafts - marine and river vessel - cosmic objects - road vehicles - electric vehicles - farm equipment. II. Movable property (movables) - vehicles (the rights to which are not subject to state registration) - equipment, inventory and other movable property. III. Other special property: - military equipment - special objects of the civil rights - plantations - objects of intellectual property rights.

The responses show a reasonably consistent approach across the five countries that provided information, with most including fixed assets such as land building and equipment (largely consistent with property, plant and equipment - IPSAS 17). Variances to this included: one country does not include land although it maybe that land is maintained in a separate cadastral register; and one country includes items that are not material (low value) in its register. As indicated earlier, countries do need to maintain a register for these assets, but it should ideally be separate from those material assets for financial reporting.

*It appears that a number of countries have in place an adequately designed register which covers most material assets for determining the changes from the opening to the closing balances for reporting in the financial statements, although more specific information would be required to be definitive on this observation. Areas where additional information would be useful include: the processes in place to manage assets and to adjust the accounting information in the register for financial reporting and the classes or types of material assets that are not included in the register. It may also be interesting to determine the degree to which the register’s financial transactions are recorded or linked to the general ledger of the accounting system. Ideally, an assets register would be a sub-ledger of the general ledger in the accounting system.*

**Q13. Is the assets’ register maintained centrally or are registers maintained in line ministries?**

***Figure 8 –maintenance of asset’s registers***

Two countries maintain central assets registers, three maintain registers in line ministries and four countries maintain a combination of central and line ministry registers.

This question requires a supplementary question on what is maintained in the two registers, where countries indicated they have both central and line ministry registers. It would be important to determine whether it is different information or the same, and if the same, how it is reconciled.

**Q14. Is the assets’ register manual or electronic?**

***Figure 9 – Manual or Electronic Registers***

Six countries indicated that they have an electronic assets’ register, one indicated that the register was manual and two indicated that they had both manual and electronic registers (nine in total).

For the two countries that indicated both manual and electronic assets registers are maintained, one maintains registers both centrally and in line ministries, while the other has the register just in line ministries. In both cases it suggests an opportunity may exist to roll out the electronic software to all users.

Those countries that indicated that they had electronic registers were further asked to indicate whether the software was off the shelf or purpose built (questions 15 and 16). Four countries indicated that the software was off the shelf, although one of those, Russia, also indicated that it was not off the shelve in the comments column, suggesting that three countries have off the shelve and three purpose built software. For the three countries with off the shelve software, Croatia has software called Budget Accounting Plan and Bulgaria indicated it could be any number of different packages including SAP, Conto, Ajur or others. In Bulgaria’s case this is probably because each line ministry may have acquired its own software for the purposes of assets management (and to support financial management) as Bulgaria also indicated that asset registers are maintained in line ministries. One country did not respond to the question on software.

**Q17. How does your country manage low value assets?**

***Figure 10 – Low Value Assets***

Ten responses were received. Six countries indicated that they expense these assets as they acquire them while one country indicated that it expenses them when they are put into operations. (This is largely the same as expensing on acquisition, and just involves a timing difference for recognition). Two countries continue to manage low values assets on an historical cost basis. One country indicated that it did not manage these assets any differently from other assets. This response needs further clarification (Kazakhstan) as it may reflect a misunderstanding of the original question.

*Again this suggests that enough countries have firm policies on what is a low value asset, which also implies that they have taken a decision regarding thresholds for both new assets and capital repairs. It would be useful to obtain examples of these policies and procedures for inclusion in a generic policy manual.*

**Revaluation of Assets**

*This set of questions (18-22) was included to determine whether countries largely maintain assets at historical cost or undertake regular reviews to revalue the carrying amounts of their non-financial assets.*

**Q18. Do you undertake regular revaluations of assets?**

***Figure 11 – Revaluation of Assets***

Of the eleven countries that responded seven indicated that they do undertake regular revaluations and four do not.

Of the seven countries that undertake regular revaluations, only one country, Bulgaria indicated it revalues assets in accordance with IPSAS, which values assets at fair value or historical cost. In the case of the later method, they test these assets for impairment every two years. Of the six remaining countries, four indicated that they use an industrial index set by government to determine the new values (two of the six countries did not respond). This is applied in two ways. The indexed revaluation is applied at the end of the year for all assets on hand or during the year when specific assets are retired, sold or otherwise disposed of.

*It appears that revaluation continues to be an area where few countries comply with the requirements under IPSAS. This therefore would be an important area for further discussion and perhaps a case study based on the approach taken in Bulgaria. The presentation by the facilitator on the approach taken in Australia is also relevant in this regard.*

**Q20. What is the frequency of revaluations?**

Only five countries responded to this question regarding the frequency of revaluations. Three countries indicated that this is done annually. One country does it every 5-10 years, while the final responding country indicated that revaluations only take place when the asset is realised, which is interpreted to mean, sold or otherwise disposed of.

**Q21. Are specific classes of assets revalued?**

**Q22. Please name the classes that are revalued.**

Three countries indicated that specific classes of assets are revalued while two indicated that revaluation does not apply to specific classes of assets. None of the countries that responded yes provided a clear explanation of which classes of assets the revaluation process encompasses, although one indicated that it was only for long term tangible and intangible assets.

It appears that this section of the questionnaire was not clearly understood and requires further explanation and discussion.

**Q23. Please list and describe any particular issues or problems with non-financial asset management in your country.**

The final question was an open one inviting countries to identify specific issues with the management of non-financial assets. A range of responses were received and these have been grouped according to their main topic or focus below:

**Valuation and Revaluation**

* Non-financial assets are not valued at their real cost;
* 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;
* Can two asset valuation methods be used at the same time? Identification of groups where revaluation should be applied;
* 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 (Kazakhstan)
* No revaluation of assets during their life-cycle;
* How do you value intangible assets?

**Control and Reporting**

* 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;
* 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?

**Depreciation**

* Problems of depreciation method (we apply linear accrual method, which is not efficient for all types of assets);
* Identification of non-financial assets by sources makes accrual depreciation and property tax calculation more difficult due to different regulations.

**Chart of Accounts**

* Separation of capital and current expenditure for repairs within the same project (according to the same budget estimate);
* Whether it is necessary to allocate a separate class for accounting for military equipment in the accounting records (this is clearly broader than just CoA).

**Asset Recognition Thresholds**

* Is there a value above which non-financial assets are recognised?

The presentation by the facilitator in Tbilisi included a number of the issues raised above and these were discussed during the working group meeting. Notwithstanding this, as with the earlier open question on issues regarding stock-takes, these issues provide useful guidance for areas that should be directly addressed in any policy and procedures manual that would be developed.

Appendix B is a first draft in the development of an outline for a generic policy and procedures manual for review by the Assets’ Working Group, developed based on discussions within the group and from the analysis of this survey.

**Summary of Recommendations and possible follow-up work for further review by the Working Group:**

* For countries that indicated that they undertook a regular stocktake but did not specify the period, check whether the frequency is annual or another timeframe.
* Develop a set of standard non-financial asset classes that could form the basis of generic accounting policies and procedures.
* A Specific discussion regarding depreciation rates and approaches maybe a useful follow-up activity for the working group including a presentation by Serbia regarding the use of the declining balance methodology.
* Countries could be asked to provide guidance regarding one area of policy and the supporting procedures to be used as the basis for developing a generic policy for the manual;
* Further discussion could take place on asset thresholds to determine whether some common methodology or approach could be used for the manual;
* Further questions and discussions regarding the management of assets registers would be useful including: the processes in place to manage assets and to adjust the accounting information in the register for financial reporting and the classes or types of material assets which are not included in the register. It may also be interesting to determine the degree to which the register’s financial transactions are recorded or linked to the general ledger of the accounting system. Ideally, an assets register would be a sub-ledger of the general ledger in the accounting system.
* For the four countries that indicated that they maintain dual registers, centrally and in line ministries, it would be useful to determine whether these registers are entirely separate, and if they are used for the same information or for controlling different types of assets (eg land and building is maintained in a central register while operational assets are maintained in line ministries).
* It would be useful to obtain examples of the asset threshold policies and procedures for inclusion in a generic policy manual.
* Invite a country, perhaps Bulgaria, to provide a case study on the method for revaluing assets (and testing for impairment) for a future working group meeting.

**Appendix A**

**Draft Template for a Chapter on Non-Financial Assets Management to be included in a Generic Policy and Procedures Manual**

The following is proposed as a starting point for discussions only, and is not intended to be comprehensive at this stage. It would be useful for each country in the working group to review this against existing policies and manuals, along with any current issues that you may have to ensure they are covered in this template. It would be particularly useful for this to be benchmarked against the recently provided Kazakhstan manual, and the Croatian policy documents mentioned during the last meeting.

1. Purpose of the Chapter
2. Legislative basis – refer to laws and relevant standards here including GFSM2001/2014.
3. Statement regarding whether these policies are mandatory or guidelines or a combination of both (eg allow some discretion for local or unique treatment where the policy or procedure will not cover the situation. Who do you speak to when you are not clear on treatment or process (eg AGD, Accounting Policy Department)
4. Definition of non-financial assets (this could also be broken down into a more typical IPSAS format eg Property, Plant and Equipment, Intangible Assets).
5. Scope of assets included in this instruction – (the CoA maybe a good starting point). Some countries may choose to not include some assets on a transitional arrangement – or special treatment will apply to those assets (eg land, subsoil assets)
6. Control of NFAs. Particularly important if some assets are controlled centrally, such as land and buildings, while others are controlled in line ministries). The issue of which entity/government controls and reports assets could also be addressed here.
7. Guidelines for maintenance of the Assets Register(s) and determining opening balances
   1. New acquisitions
      1. purchase
      2. government built assets including treatment for partial completion at the end of the accounting period
      3. transfer including valuation of assets transferred which are not new
   2. Details on the information to be recorded in the assets register (attached forms)
   3. Depreciation – would include a table on proposed method of depreciation and periods for depreciation for classes/subclasses
   4. Revaluation
      1. General guidance
      2. Revaluation of assets – what happens when the depreciation rate is not consistent with its useful life?
   5. Impairment
   6. Disposal
      1. By sale
      2. By transfer
      3. Writing off the asset as it is no longer serviceable or fully impaired
8. Annual Stock-take
   1. Guidelines for undertaking stock-take
   2. Frequency (perhaps different for different types of assets)
   3. Issues which must be recorded and reported (systemic, impairment issues which must apply across the class, losses, fraud, mismanagement)
9. Thresholds for recognizing non-financial assets
   1. Why have a threshold and the accounting and budgeting implications of expensing certain assets
   2. New assets
   3. Government built assets
   4. Capital repairs
   5. Grouping of assets (which may make them material)
10. Revaluation Policies
11. Impairment Policies
12. Componentisation Policies
13. Write-off and losses to be reported and independently reviewed for systemic issues or breaches of obligations of office
14. Intangible Assets
15. Military Equipment
16. Inventory

**Appendix B – List of Respondents**

|  |  |  |
| --- | --- | --- |
| Country | Full name | Title of the respondent |
| Bulgaria | Tsvetanka Chipeva | Head of Division |
| Croatia | Renata Marijetic | Senior Advisor |
| Georgia | Lela Kurashvili | Head of Accounting Methodology Division |
| Kazakhstan | Zaifun Ernazarova | Director of the Budget Process Methodology Department |
| Makedonija | Bari Iseni | Head of Budget Accounting Department of the Treasury |
| Moldova | Nadejda Slova | Head of Reporting Department |
| Montenegro | Marija Popović | Head of Directorate for Accounting Policy of the Ministry of Financ |
| Russia | Anton Dubovik, | Head of Department of Budget Accounting and Reporting, Federal Treasury |
| Serbia | Mirjana Pokrajac | Assistant Director, Department for Budget Accounting and Reporting |
| Tajikistan | Ismatullo Hakimov | First Deputy Director of Main Department, Central Treasury, MoF |
| Ukraine | Natalia Sushko | Director of Directorate of Budget Operation, Accounting and Reporting Methodology in the State Treasury Service of Ukraine |
| Uzbekistan |  |  |

**Appendix C**

**Table of nonfinancial asset classes including indicative IPSAS classes and GFSM2001 classes**

**(see attached Excel File)**

1. Croatia did not respond [↑](#footnote-ref-1)
2. Uzbekistan only responded to part one of this question [↑](#footnote-ref-2)
3. Many of the buildings were brought to account at cost at a time when property values were very low, often immediately after transition from the soviet union in the early 1990s. The value of property (buildings and especially the land) has appreciated many times since that time, even allowing for accumulated depreciation on buildings. [↑](#footnote-ref-3)
4. The comparison is not an exact match with the structure of GFSM. As an example, buildings are represented as a single class, with no distinction between residential and other buildings. The decision regarding what is included as GFS categories largely reflects those classes which have some correlation with the responses from countries [↑](#footnote-ref-4)
5. IPSAS does not define specific classes of assets but does provide a suggested set of classes [↑](#footnote-ref-5)
6. this is a new category added in the draft GFSM2014, termed Weapons Systems. Further categories have been added which may warrant review by countries including Land Improvements which is grouped with buildings and structures. [↑](#footnote-ref-6)
7. [↑](#footnote-ref-7)
8. Declining balance is used. This is the only example of depreciation reported by a country not using the straight line method [↑](#footnote-ref-8)
9. Typically lower value assets are also controlled through a register of controllable items. In some countries this could be referred to as the Register of Portable and Attractive Items. [↑](#footnote-ref-9)