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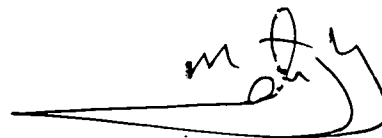
Government of Pakistan
Finance Division
(Expenditure Wing-Plg)

Subject: IMF's Technical Report on Public Investment Management Assessment (PIMA) and Climate-PIMA

Kindly refer to Finance Division (External Finance Wing)'s Notification bearing No.F.1(4)EF-IFR/2023 dated 10th May, 2024 and Draft Public Assets Management Guidelines 2024 as per PIMA action 11.1 prepared in consultation with the Committee constituted vide the aforementioned letter of Finance Division.

2. The aforementioned notification and the draft guidelines can be downloaded from Finance Division's website link https://www.finance.gov.pk/circulars/Draft_PAM_Guidelines_2024.pdf

3. It is requested that views comments on the Draft Guidelines may kindly be furnished to Finance Division **within 15 days**.



(Muhammad Jafar Ali Khan)
Dy. Secretary-Exp(Plg)
Tele: 9209 66

All Federal Ministries / Divisions
Fin. Div's U.O.No.1(126)DS-Exp(Plg)/2024-802

dated. 28-06-2024

CC: Webmaster, Finance Division

F.1(4)EF-IFR/2023
Government of Pakistan
Ministry of Finance
(External Finance Wing)

Islamabad, the 10th of May 2024

NOTIFICATION

Subject: IMF's Technical Report on Public Investment Management Assessment (PIMA) and Climate-PIMA

The undersigned is directed to refer to the subject noted above and to state that the following committee has been notified for implementation of PIMA Action 11:

Sr. No	Designation/Department	Committee
i.	AFS Expenditure, Ministry of Finance	Chair
ii.	Representative of Ministry of Planning, Development & Special Initiatives	Member
iii.	Representative of Ministry of Housing and Works	Member
iv.	Representative of Ministry of Railways	Member
v.	Representative of Ministry of Energy (Power Division)	Member
vi.	Representative of Ministry of Water Resources	Member
vii.	Representative of Ministry of Communication/NHA	Member
viii.	Representative of Aviation Division/CAA	Member
ix.	Representative of AGPR	Member
x.	Any other member co-opted by the committee	Member

2. The committee shall have the following ToRs

Issue	Recommendations	Action	Timing
11. Data on public assets is inconsistent and not easily centralized to support planning of public investment and budgeting for maintenance.	11.1 Prepare and publish rules and procedures for federal ministries to retain and make accessible information on public assets.	Draft guidelines, in consultation with PC and line ministries	June, 2024
		Present draft guidelines to CDWP and ECNEC for approval	Sept 2024
		Provide training and implement using a phased approach	End 2024
	11.2 Develop standard methodologies for assessing the needs and cost of routine and capital maintenance for main asset classes	Complete work of group already commissioned by Finance Division and notify results to agencies	End 2024

3. This issues with the approval of the Finance Secretary,



(Ali Ahmad)
Section Officer (EF-IFR)


1. Accountant General Pakistan Revenue, Islamabad
2. The Secretary, Ministry of Planning, Development & Special Initiatives, Islamabad
3. The Secretary, Ministry of Housing and Works, Islamabad
4. The Secretary, Ministry of Railways, Islamabad
5. The Secretary, Ministry of Energy (Power Division), Islamabad
6. The Secretary, Ministry of Water Resources, Islamabad
7. The Secretary, Ministry of Communication/NHA, Islamabad
8. The Secretary, Aviation Division/CAA, Islamabad



(Ali Ahmad)
Section Officer (EF-IFR)

CC

1. AFS (Expenditure), Ministry of Finance, Islamabad
2. AFS (EF), Ministry of Finance, Islamabad
3. JS (EF-B&B), Ministry of Finance, Islamabad



DRAFT PUBLIC ASSETS MANAGEMENT GUIDELINES 2024

Government of Pakistan



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PREFACE

Public assets assist the government in completing its constitutional and legal commitments to the people of Pakistan, including the efficient and effective delivery of public services. The need of improving performance and productivity in public sector, financial constraints combined with high capital costs of replacing assets, and concerns about safety and sustainability have brought public sector asset management to the forefront of key issues facing the Government of Pakistan. The Public Assets Management Guidelines 2024 adopt a long-term, lifecycle approach to managing of public assets to increase their resilience.

The Ministry of Finance, with the help of the Revenue Mobilisation Investment and Trade programme, has utilized international standards and other public asset management rules and guidelines to prepare this document. The implementation of these guidelines foresees the best opportunity in bringing about accountability and responsibility in managing public assets. The guidelines are applicable to all forms of public assets.

ACRONYMS

AGP	Auditor General of Pakistan
APPM	Accounting Policies and Procedures Manual
CFAO	Chief Finance and Accounts Officer
CGA	Controller General of Accounts
ECNEC	Executive Committee of National Economic Council
FABS	Financial Accounting & Budgeting System
GAAP	Generally Accepted Accounting Practice
GAVP	Generally Accepted Valuation Principles
IAS	International Accounting Standards
IIMM	International Infrastructure Management Manual
IPSAS	International Public Sector Accounting Standards
IFRS	International Financial Reporting Standards
IVS	International Valuation Standards
ISO	International Organization for Standardization
MDAS	Ministries, Divisions, Attached Departments and Subordinate Offices
MOF	Ministry of Finance
MOPDSI	Ministry of Planning, Development & Special Initiatives
PAC	Public Accounts Committee
PAMGs	Public Asset Management Guidelines
PFMA	Public Finance Management Act 2019
PPRA	Public Procurement Regulatory Authority

INTRODUCTION

The Public Asset Management Guidelines (PAMGs) have been developed by the Ministry of Finance (MOF) as a multi-context application guidance for Ministries, Divisions, Attached Departments and Subordinate Office (MDAS), which have a responsibility for managing public assets under their administrative mandates. PAMGs seek to provide a consistent, ISO 55000 suite-aligned framework for Federal Government agencies to use when implementing a system of Asset Management Planning. These guidelines will serve as an ECNEC-approved mechanism for the operation, management, maintenance, sustenance, and improvement of public assets. The MOF encourages MDAS to use these guidelines to continuously improve their asset management policies and plans and take a ‘whole- life’ approach to the ownership of assets under their care, control and areas of responsibility.

PAMGs aim at transforming management of public assets to an optimal standard while addressing various challenges that continue to prevail. The primary task is to document all public assets, create a central asset register, and adopt asset management practices that maintain and extend value of the assets for continuous operations at best possible levels. The central asset register will collate data on public assets, organize it, and render information retrievable for appropriate and timely decisions for asset management. It would require practices across government agencies that are definitionally compatible. Hence, establishing a unified and consistent set of procedures, in the form of PAMGs, is essential and the first step in moving toward effective and efficient asset management.

The following guidelines have prescribed procedures for acquisition, maintenance, accounting, disposal and other activities involved in managing public assets. Government shall be able to monitor and evaluate its assets portfolios and decide accordingly. Guidelines will also be an instrument to assess asset management protocols and practices in government agencies and devise plans for reaching the prescribed standards.

AIMS AND OBJECTIVES

The primary objective of these Public Assets Management Guidelines is to establish a unified and consistent set of procedures in managing public assets during the course of service delivery, to establish accountability and transparency in the management of public assets, to set controls through clear and comprehensible instructions and to harmonize public asset management practices with international standards. The public assets for their inherent value as well as for

their useful deployment in public services are to be documented and registered, monitored all along their life from acquisition to disposal to ensure value retention and value deployment at every stage and thus maximize the value of the assets for public sector operations and the national economy. The guidelines envisage operationalization of a central asset register in accordance with Financial Accounting & Budgeting System (FABS) Assets Management Module at the Controller General Accounts (CGA), effective assets maintenance plans, adequate allocation of public funds for maintenance and optimal utilization.

SCOPE AND COVERAGE

This Public Assets Management Guidelines Pakistan 2024 covers all MDAS and other organizations, Offices and Entities which operate in Federal Government domain and are receiving public funds. These primarily cover government owned fixed assets including land, buildings, infrastructure as well as plants and equipment associated with the land and buildings. These do not apply to management of intangible assets such as licenses, software and intellectual property.

STATUTORY FRAMEWORK

The governance of public assets is derived from a set of statutes and subordinate legislations that provide the legal foundations, identify and define rights and obligations, and devolve roles and responsibilities with regard to public asset management. Reference to these foundations is important to ensure that public asset management develops and carries on in an organic manner in synchronicity with the national legal framework. The major statutes inscribing legal dictums for governing public assets management in Pakistan are:

- The Constitution of Pakistan 1973
- The Public Finance Management Act 2019
- The Public Procurement Regularity Authority Ordinance 2002
- AGP Ordinance 2001 and CGA Ordinance 2001
- Privatization Commission of Pakistan Ordinance 2000
- Lands Acquisition Act 1894
- Federal Government Lands & Buildings (Recovery of Possession) Ordinance 1965
- Rules of Business 1973
- Federal Government General Financial Rules 2019, and
- Any other relevant legislation

INTERNATIONAL ASSETS MANAGEMENT STANDARDS

The ISO 55000 suite is an internationally accepted standards for asset management and PAMGs are based on this suite. Adoption of ISO-aligned PAMGs enable MDAS to achieve their objectives through the development and implementation of their own asset management system. This means that organizational objectives can be consistently translated into asset-related decisions, and that subsequent plans and activities can be established using a structured approach. From a whole of government, or whole agency perspective, the consistent application of this alignment ensures more effective governance and control of assets across all government portfolios.

It is recommended that asset management staff of MDAS should familiarize themselves with the ISO-55000 suite as a means of building their own body of knowledge and capability within their agency. As an extension of this familiarization, MDAS may choose to become accredited in the application of this standard although this is not mandated.

ASSET MANAGEMENT PRINCIPLES

To achieve strategic and organizational objectives, the following principles must be applied on all classes and types of assets:

- **Whole of life approach:** Decisions regarding assets management are to be taken based on the whole of asset life approach.
- **Ownership:** The Federal Government has and will delegate the ownership of the assets used, operated, and managed by MDAS to them to give them autonomy to make the best decisions regarding their assets.
- **Alignment:** All guidelines, plans, and rules related to asset management must align to the requirements of the ISO 55000 suite. All asset management decisions must support MDAS/agency's mission, objectives, plans and responsibilities as given in the Rules of Business.
- **Informed Decision Making:** All asset management decisions must seek an appropriate balance of cost, performance, and risk.
- **Flexible synchronicity:** A central asset register collates information compiled and maintained by numerous agencies, allowing them to register, value, and record asset related information according to their specific domains while complying with definitional comparability.

ROLES AND RESPONSIBILITIES

The assets management in Federal Government public sector has different agencies with different powers and authorities in managing public assets. These have been assigned with roles and responsibilities for proper management of public assets. The following are roles and responsibilities:

Role of the CGA Office

Controller General of Accounts (CGA) is the principal custodian of all public assets record and shall perform duties in the light of CGA Ordinance 2001. It guides all MDAS/reporting agencies that manages public assets to provide assets information, to inspect assets in a particular public office for the purpose of monitoring compliance to provisions of the PFM Act, record acquisition and disposal of public assets of and decide on accounting and utilization of assets. CGA Office is the custodian of the FABS/ SAP system. The central asset register shall work under supervision of the CGA Office.

In lieu of this role, the CGA office is the custodian of the FABS or the Financial Accounting & Budgeting System, which incorporates the New Accounting Model (NAM) and is integrated into SAP-ERP-based IT platform. It processes and records all financial transactions of the Federal Government. The SAP-ERP platform of the FABS has an asset management module, which will serve as the central asset register of the Federal Government. The CGA Office will maintain and supervise this register and ensure it is regularly updated. The CGA will issue instructions to MDAS regarding the type and granularity of assets data required. These instructions will be based on ISO-55000 suite as well as on the technical specifications of the asset management module of the FABS's SAP-ERP platform. All MDAS are required to provide assets information under their domain to the CGA office in the format and detail prescribed by the CGA Office. The CGA office will inform non-compliance of its instructions by MDAS in a bi-monthly report to the Ministry of Finance, which will take measures to ensure compliance.

The CGA shall:

- Lay down the forms for recording assets, their values, and other details;
- Prescribe reporting frequencies and reporting modalities, e-reporting and paper based reporting, as the case may be;
- Enunciate formats of the central asset register, its data content, data management, data access and reporting outputs;

- Design and operate system for data input, collation, management and reporting;
- Provide annual asset compilation reports as part of the annual accounts of the government;
- Notify any material changes in assets, their valuation and their use;
- Allow generation of analytic reports for government computations and decisions; and
- Certify the complete register of public assets of the Federal Government as part of the consolidated accounts preparation.

Role of Reporting Agency

All MDAS, with principal accounting officers, are reporting agencies. The asset data of all reporting agencies will be submitted to the CGA to be made part of the central asset register.

Following are the responsibilities of the reporting agencies:

- The PAO is the chief operating officer of a reporting agency on matters relating to public assets management and shall execute PAMGs and other relevant laws and policy directions of the Federal Government for proper management of assets;
- Maintain and regularly update the departmental assets register and submit data to the central asset register;
- Introduce and implement proper internal control systems in managing public assets as per guidance of CGA Office;
- Determine the identification and classification for public assets;
- Ensure that assets are acquired and disposed off in accordance with the PAMGs and other relevant legislation and regulations;
- Approve asset statements for public entities before updating into the register;
- Certify assets statements of public entities before preparing the final accounts;
- Observe proper valuation of public assets in accordance with International Standards;
- Facilitate and coordinate training on public assets management;
- Submit assets statement to the CGA quarterly in format prescribed by the CGA;
- Inform the CGA Office writing any material change in operations which may demand a change in the format of departmental assets register.

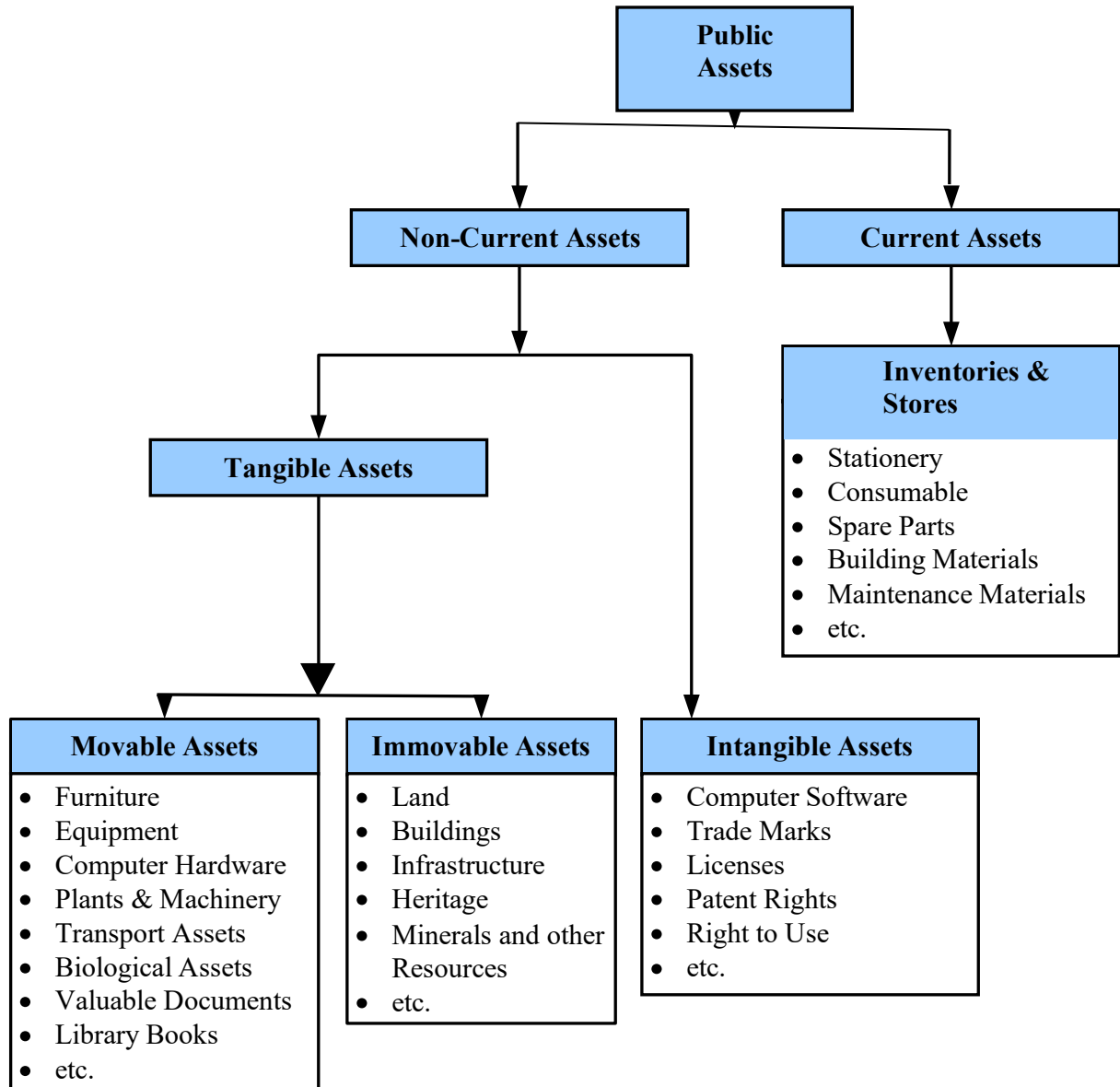
Role of the MOF, MOPDSI, and other Divisions

The Rules of Business 1973 and other statutes assign role and functions to various divisions of the Federal Government. Finance Division plays a key role in budgeting for the acquisition of assets. Planning, Development, and Special Initiatives Division plans and monitors development

expenditure which is responsible for creating major public assets. Consultation with the Housing and Works Division is mandatory before taking any decision regarding acquisition of public fixed assets, rent, etc. Privatization Commission has been entrusted with specific role with reference to disposal of assets and properties owned by Government Organizations. These guidelines will work to strengthen the roles assigned to various divisions by legislation and the Rules of Business, 1973.

CLASSIFICATION OF ASSETS

Classification of public assets is a grouping of assets of similar nature or function. For the purpose of these Guidelines public assets shall be grouped into non-current assets and current assets. Furthermore, non-current assets shall be classified as tangible and intangible assets as shown below.



ACQUISITION OF PUBLIC ASSETS

Assets may be acquired through procurement, transfers, inheritance, confiscation, donations or any other method considered appropriate. The methods applied for acquisitions of assets shall be in accordance with the relevant and applicable legislations and regulations. In case of acquisitions through procurement, all assets to be procured for a particular financial year.

IDENTIFICATION OF ASSETS

Every acquired asset shall be identified by unique identification code/number as per SAP Asset Management Module. The identification will depend on nature of a particular asset class. For example, motorized assets shall use registration number, land shall use plot number, while furniture and equipment shall use bar code. Other asset classes each shall be identified according to the agreed and acceptable standards of identification.

RECOGNITION OF AN ASSET

Price value of the Public Asset shall be recognized or recorded at cost or at revalued amount in the asset register. For asset to be recognized, it shall meet the criteria including future economic benefits or service potential for public entity, capacity to control the service potential of the asset; and public entity control over the asset.

ASSET REGISTER MAINTENANCE

A departmental asset register shall be maintained at each reporting agency, alongside the central asset register at the CGA. This asset register may be part of department's own financial management system but aligned with the requirements of the central asset register. Reporting agencies shall properly handle assets register in the effort to strengthen internal controls and facilitate decision making and an asset shall remain in the asset register as long as it physically exists. The fact that an asset has been fully depreciated shall not in itself be a reason for removing the same from the assets register till it is disposed-off. An asset will be subjected to annual review to determine its remaining economic life.

The central asset register is a single, comprehensive register of public assets at the CGA. It is part of the FABS's SAP Module at the CGA office.

A typical Departmental Asset Register:

- Allows for the cross-referencing of asset data with information contained elsewhere within the agency or with relevant external requirements;
- Is based on a logical method for identifying assets with a structured, hierarchical approach to asset data;
- Captures relevant regulatory, legislative or stakeholder requirements;
- Is an integrated component of the Agency Asset Management System that tracks assets throughout their lifecycle supporting asset management decisions;
- Links related information management systems such as the Agency's financial management system including processes applicable to those related systems.
- Will include Asset Risk Analysis and document the identified risks. This information will also be conveyed to the CGA for inclusion in the central asset register.

The choice of technology, structure, hierarchy and level of asset data detail contained within the asset register is for negotiation between of each reporting agency and the CGA office. Notwithstanding this arrangement, core data and information captured within the register should include:

- Asset and property attributes such as a unique identifier, name, description, location, source, useful life, age and condition;
- Accounting, financial and regulatory information such as cost and purchase history, valuation and valuation history, cost centre, ownership and control arrangements (covering purchase and lease details) and depreciation/amortization;
- Technical information such as manufacturer and warranty details, vendor information, standards, asset design, configuration and systems engineering information;
- Maintenance and service requirements such as the maintenance approach, scheduled frequency, and maintenance history.
- Roles and responsibilities information including maintenance demarcation and agreements with other parties; and
- Performance information such as utilization, service capacity, effectiveness and efficiency.

VALUATION OF ASSETS

Valuation of assets shall be done based on existing legislation and the International Valuation Standards. It shall establish market value of an asset based on value determining factors (i.e. physical condition, replacement cost, location etc.). Valuation of asset will be conducted where the value of an asset is not known or its value is depreciated to scrap/residue value. For the case of major repair or overhaul of an asset, revaluation shall be conducted to ascertain a new value and economic life of a particular asset.

MAINTENANCE OF ASSETS

Every PAO/Head shall be responsible for ensuring that maintenance plan of an asset is prepared and adhered to and it will be recorded in the Departmental Asset Register as the Annual Maintenance Plan (AMP) with associated costs and budgetary requirements. The objective of the maintenance plan is to ensure that assets remain useful for the intended purpose, service delivery and economically utilized to maximize benefit to the organization. Depending on the nature of assets, every PAO/Head shall ensure that a maintenance plan of assets to be shared with the CGA annually. In addition, every PAO/Head shall keep maintenance records of all assets.

REPLACEMENT OF ASSETS

The PAO/Head shall quantify and specify assets to be replaced on annual basis in accordance with the aging analysis conducted so as to remove assets which have become uneconomic to maintain. The Chief Finance and Accounts Officer (CFAO) or a senior officer designated by the PAO of the entity shall carry out survey to inspect and prepare a report which will be used for developing a replacement plan. The replacement plan shall include the asset ID, asset class, asset description, acquisition date, carrying amount, condition, location and reasons for replacement.

INVENTORY AND STORES MANAGEMENT

Acquisition, accounting, storage of the inventories and stores shall be in accordance with the existing legislation and regulations depending on the nature of inventories. Every six months the reporting agency shall conduct physical inspection and evaluate the procedures for receipt, storage, issues and accounting of inventories. The annual stocktaking statement shall be certified by the CFAO or by a senior officer designated by the PAO.

VERIFICATION OF ASSETS

Verification of assets shall be undertaken by the CFAO or by a senior officer designated by the PAO after every six months or whenever there is a need or instruction. Verification of assets is conducted to attest compliance to laws, regulations and guidelines in managing assets throughout its entire life cycle by observing the physical existence, ownership/possession, condition, location, value, quantities, maintenance, utilization, transfer and disposal. Based on verification findings, the reporting agency shall reconcile and update the departmental assets register and convey changes/updates to the CGA for updating of the central asset Register.

DISPOSAL OF ASSETS

Procedures for public asset disposal shall be in accordance with the Privatization Ordinance, PPRA Ordinance, PFM Acct and other relevant legislation and regulations. Methods of disposal shall be by Tender, Auction or any other method stipulated in a particular legislation or regulation approved by the Federal Government. After disposal is completed, the reporting agency shall update the assets register accordingly.

TRANSFER OF ASSETS

Any transfer of asset shall be done as per existing law/rules/regulations whereas transfer within entity shall be approved by PAO/head. Transfer between entities shall be reported to the CGA.

DEPRECIATION OF ASSETS

In accordance with the Generally Acceptable Valuation Principles (GAVPs), the reporting agencies will depreciate their assets to reflect physical deterioration, functional and economic obsolescence.

SAFETY AND SECURITY OF PUBLIC ASSETS

The PAO/Head shall be responsible for conducting Asset Risk Analysis and document the identified risks in the Departmental Asset Risk Register. Internal control measures should be instituted to safeguard assets against waste, operational loss, misuse, damage or mismanagement and protection from fraud, theft, unauthorized use, destruction etc.

INSURANCE OF PUBLIC ASSETS

With respect to type, nature, value and risks involved, government assets may be insured through Government approved insurance company. The applicable government insurance policy shall be applied. The PAO/Head shall budget for funds to cater for payment of insurance premiums.

ACCIDENTS FOR PUBLIC ASSETS

The PAO/Head shall inform the CGA Office on issues relating to accidents involving public assets quarterly. The information will include the reasons of the accident, the fixation of responsibility, etc.

WRITE-OFF OF PUBLIC ASSET LOSSES

Write-off of asset losses shall involve removal of an asset from the accounting records of a public entity. The causes of asset losses include theft, fraud, accidents, natural calamities, damages which failed to be recovered. The CFAO or a senior officer designated by the PAO shall prepare and submit reasons to the PAO/Head who will write-off the asset in accordance with the relevant laws, rules, regulations, and international standards. The PAO/Head will submit a Statement of Loss to the CGA quarterly.

EFFECTIVE DATE

This Public Assets Management Guidelines Pakistan 2024 shall be effective from the date notified in the Gazette of Pakistan.

UPDATING THE GUIDELINES

The Public Asset Management Guidelines 2024 can be amended by the Ministry of Planning, Development, and Special Initiatives, in consultations with the CGA and notified to all the PAOs/Head of reporting agencies through the government gazette, as and when deemed necessary.

DEFINITIONS

Asset is an item, thing or entity that has potential or actual value to an organization. It can be fixed or moveable, tangible or intangible. For the purpose of these guidelines, asset does not include financial assets. (ISO 55000-2014).

Asset Valuation is the process of determining the fair market value of an asset.

Assets Verification is not only confirming the physical presence an asset but also its specific location and condition.

Building means, a building or a part thereof which vests in or is in the possession or under the management and control of the Federal Government and includes the land appurtenant thereto as prescribed in section 2 of the Federal Government Lands and Buildings (Recovery of Possession) Ordinance 1965;

Cost is the amount required to create or procure a good or service. The historical cost of an is the cost incurred at the time of acquiring or creating the asset,

Depreciation is the measure of wearing out, consumption or other losses of value whether arising from use, abuse, lapse of time or obsolescence through technology or market changes.

Disposal means auction, rental, lease, donations, destruction and recycling of public assets or any combination thereof as laid down in section 2 of PPRA Ordinance 2002.

Public Procurement means acquisition of goods, services or construction of any works financed wholly or partly out of the public fund and includes disposal of public assets and commercial transactions between procuring agency and private party, in terms of which the private party is allowed to:

- Perform a procuring agency's assigned functions, including operations and management, on its behalf;
- Assume the use of public asset; or
- Receive a benefit either from budget or revenue of the Federal Government or from fees or charges to be collected by the private party for performing the procuring agency's function or any combination thereof.

Fair value is the amount of which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Federal Government for these Guidelines means a ministry, division, department or any office of the Federal Government or any authority, corporation, body, or organization established by or under a Federal law or which is owned or controlled by the Federal Government

Fixed Assets are assets that are characterized by their long-term or strategic purpose. Fixed assets are usually physical in nature, such as plant and equipment, buildings etc. In financial reporting, used synonymously with 'non-financial assets', because they are not readily convertible to cash (Accounting Policies and Procedures Manual (APPM)).

Functionality is the range of activities and functions an asset delivers.

Division is a self-contained administrative unit responsible for the conduct of business of the Federal Government in a distinct and specified sphere and declared as such by the Federal Government and included in the Chart of Accounts entity code (APPM)

Goods means articles and objects of every kind and description including raw materials, products, equipment, machinery, spares, scraps, waste material and commodities in any form and includes all type of assets such as immoveable property, physical objects in any form or matter, intangible assets, goodwill, intellectual property and proprietary right, as well as service incidental thereto if the value of these services does not exceed the value of such goods as laid down in section 2 of PPRA Ordinance 2002

Immovable Property includes land, buildings benefits to arise out of land, things attached to the earth or permanently fastened to the earth as prescribed in section 2 of the Registration Act 1908

Insurance is a contract that exposes the insurer to identified risks of loss from events or circumstances occurring or discovered within a specified period, including death, sickness, disability, property damage, injury to others and interruption of operations.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

Intangible Assets are trademarks, licenses and/or the legally enforceable rights associated with copyright and patents which do not have a physical form.

Land means land which vests in or is in the possession or under the management and control of the Federal Government and is used or held for the purposes other than agriculture thereto as prescribed in section 2 of the Federal Government Lands and Buildings (Recovery of Possession) Ordinance 1965. Furthermore, benefits to arise out of land and things attached to the earth or permanently fastened to anything attached to earth section 3 of Land Acquisition Act 1984.

Lifecycle of an asset means the period during which value is realized from an asset.

Market Value means the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

Materiality is an amount is material to the accounts if its omission or misstatement is likely to influence the economic decisions made by the users of the information (APPM).

Movable Property means property of every description except immovable property as per section 2 of the Registration Act 1908.

Outsourcing is making an arrangement where an external organization performs part of the organization's function or process (ISO 55000).

Performance is a measurable result. It can relate to the management of activities, processes, products, systems or organisations. It can also relate to assets in their ability to fulfil

requirements or objectives (ISO 55000).

Price is a term used for the amount asked, offered or paid for a good or service as a result of financial capabilities, motivations or special interests of a given buyer or seller.

Public Asset means all types of goods owned and possessed by a public organization, including immovable property and intangible assets, as prescribed in Section 2 of the PPRA Ordinance 2002.

Public Fund means the Federal Consolidated Fund and the Public Account of the Federation and includes funds of enterprises which are owned or controlled by the Federal Government;

Residual value is the estimated amount that the Government would currently obtain from the disposal of the asset, after deducting the cost of disposal, if the assets were in the age and condition expected at the end of its useful life.

Replacement is the complete replacement of an asset that has reached the end of its life, so as to provide a similar or agreed alternative level of service (International Infrastructure Management Manual (IIMM)).

Replacement Cost refers to the cost to replace the existing asset with a new modern equivalent. The cost includes demolition, procurement, transport and installation (IIMM).

Reporting Agency, under these guidelines, is a government entity, including divisions, autonomous bodies, attached departments, and state owned enterprises (only those that receive public funds from the federal budget), required under any law or instruction to hold and manage public assets.

Statement of Assets and Liabilities is a financial report consisting of balances of assets and liabilities for an entity, as at a particular period end date. Set out in the Financial Reporting Manual (APPM)

Useful life is the period over which an asset is expected to be available for use (IIMM)

Value for Money means best returns for each rupee spent in terms of quality, timeliness, reliability, after sales service, up-grade-ability, price, source, and the combination of whole-life cost and quality to meet the procuring agency requirements.

‘Whole-Life’ approach means asset management that considers the total cost of a product or service, from idea through to disposal including purchase, hire or lease, maintenance, operation, utilities, training and disposal.

Works means any construction work consisting of erection, assembly, repair, renovation or demolition of a building or structure or part thereof, such as site preparation, excavation, installation of equipment or materials and decoration, finishing and includes incidental services such as drilling, mapping, satellite photography, seismic investigations and similar activities, if the value of those services does not exceed that of the works themselves as laid down in Section 2 of PPRA Ordinance 2002.