

Classification of Assets

Non Financial Assets	61	
<i>(1) Fixed Assets</i>		611
Building and Structures		6111
Dwellings		61111
House Boats		6111101
Garages		6111102
Mobile Homes		6111103
Housing Schemes/Flats		6111104
Rest Houses		6111105
Hotels and restaurants		6111106
Quarters		6111107
Non Residential Building		61112
Office Building		6111201
Schools		6111202
Hospitals		6111203
Building for Public Entertainment		6111204
Warehouse		6111205
Air port		6111206
Crematorium		6111207
Markets		6111208
Laboratories and/Research Stations		6111209
Factories		6111210
Other Structures		61113
Highways, Streets,Road		6111301
Bridges		6111302
Tunnel		6111303
Railways,Subways		6111304
Air field runways		6111305
Harbors,dams and other water works		6111306
Structures associated with mining subsoil assets		6111307
Communication,line,power line and pipelines		6111308
Outdoor sport and recreation facilities		6111309
Sewerage Treatment Complex		6111310
Pumping Station		6111311
Machinery and Equipment		6112
Transport Equipment		61121
Passenger vehicles		6112101
Cargo Vehicles		6112102
Agricultural vehicles		6112103
Industrial Vehicles		6112104
Ambulance		6112105
Ships		6112106
Railway locomotives		6112107
Aircraft		6112108
Motor cycles		6112109

Other Machinery and Equipment	61122
Office Equipment	6112201
Computer Equipment	6112202
Electrical Equipment	6112203
Communication Equipment	6112204
Furniture	6112205
Musical Instruments	6112206
Medical Equipment	6112207
Sports Equipment	6112208
Paintings, Sculptures and other antiques	6112209
Books, Periodicals and Journals	6112210
Laboratory Instruments	6112211
Industrial and manufacturing Equipment	6112212
Construction Equipment	6112213
Broadcasting Equipment	6112214
Defence Equipment	6112215
Agricultural and dairy farm Equipment	6112216
Fire protection Equipment	6112217
(2) Inventories	612
Strategic Stock	6121
Other Inventories	6122
Raw materials	61221
Work in progress	61222
Finish goods	61223
Goods for resale	61224
(3) Valuables	613
(4) Non produced Assets	614
Land	6141
Subsoil Assets	6142
Other naturally occurring assets	6143
Intangible non produced assets	6144



ரஃசு துதுதி டுஃரஃததீதீதுல
அரசு கணக்குகள் துணைக்களம்
Department of State Accounts

SA/AS/AA/Circular

24.01.2013

To:

All Secretaries to the Ministries
Heads of Departments, and
District Secretaries

Sir/Madam,

Preparation of Annual Accounts for 2013 under Accrual Basis.

At present, Annual Appropriation Account used for reporting financial information of Government Ministries and Departments is prepared under Cash Basis while the Aggregate Fiscal Discipline, Allocation of Strategic Resources and Efficient use of Resources for Service Delivery of the relevant Ministries/Departments and expression of the financial performance criteria including the information regarding assets and liabilities generated by the management of funds at the end of the year on Accrual Basis will enable the broadening the value of these accounts. Accordingly, in future, as a pilot programme for preparing accounts on accrual basis, Appropriation Account for the year 2013 should be prepared on cash basis and all Ministries and Departments should take action to prepare accounts on Accrual Basis as well. In case some Ministries and Departments do not possess all necessary information to prepare accounts on Accrual Basis, they are hereby instructed to prepare accounts on Accrual Basis with the information they already possess.

2. Instructions regarding the preparation of Government Account on Accrual Basis

In pursuance of the above objectives, you are requested to prepare a statement on the financial position of the institute as at 31st December 2013 and a statement of Income and Expenditure for the year ended on 31st December, 2013 in terms of the following instructions. The Cash Book of the institute should be treated as the Receipts and Payments Account necessary to prepare this Account.

2.1. Steps to be followed in the preparation of the statement of Income and Expenditure

- i. Every Revenue Accounting Officer should record the actual revenue collected in cash during the year 2013 according to Revenue Heads (including receipts during the years prior to 2013) and revenue to be collected during the rest of the year 2013 as total revenue (Please see DGSA revenue1/DGSA revenue 2 and Journal Entries 4.i)
- ii. Other cash receipts, in addition to the imprest provided by the Treasury and DGSA Revenue 1 and 2, already entered in the Cash Book such as Advance Accounts and Deposit Account receipts, should be indicated under Fund Receipts and Revenue details. (Note ii in the Appropriation Accounts and other receipts)
- iii. Recurrent/Capital Expenditures

When including the expenditure, such expenditure should be classified according to the specimen in annexure 1 and the expenditure actually incurred in cash during the year (including those incurred during the previous years) and although goods and services have been received during the year 2013 but not paid for during the year, such expenditure should be indicated as expenditure in the relevant votes. (Should relate to the information in DGSA 3, 4, 8 and DGSA 1 and journal entries in 4.ii.)

3. Preparation of the Statement on Financial Position.

- i. If there are acquisition costs of non-current assets acquired since 2004 which are remaining physically as at 1st January ,2013 or values of non-current assets which have been verified by establishing Boards of Assessment at Ministry/Department levels, they should be entered in accounts as opening balance in those non-current assets. In addition, if there are land and buildings belonging to Ministries/Departments/District Secretariats, their values should be assessed by the Valuation Department and should be included in accounts as fixed assets. In this connection, Valuation Department has already commenced assessing lands and buildings belonging to all government Ministries and Departments. As such, if there are any problems, you can contact Mr.R.A.R.M.Rajakaruna, Acting Additional Chief Valuer Phone No. 0112-695658 and Mr. A.T.U. Wasantha District Valuer – Phone No. 0112-693583 and get further details.

In addition, you should obtain the end of the year non-current assets balances having adjusted the acquisitions and disposals belonging to each category during the year 2013. It should be entered in annexure 01 in the non-current assets code according to the respective capital expenditure vote items. Similarly, the above value noted at the end of the year should be accounted in a reserve account under “Non-Current Asset Reserve Fund” under Capital and Reserve Head according to journal entry 4 iii.

Similarly, the adjustments relevant to the depreciation of non-current assets should not be done in relation to the Accounts year 2013, and please note that the necessary instructions regarding the code numbers and depreciation will be sent to you in due course.

- ii. As stated in annexure 01, current assets and current liabilities should be included in the financial position statement and if there are other assets or liabilities other than those belonging to your institute, they should be suitably shown in Accounts.
- iii. Apart from the “Non-Current Assets reserve Fund” noted under the ‘Head Capital and Reserve’ referred to above and the net difference between advances refundable to the Treasury (advances under “Advance ‘B’ Account and other Advances) and the funds due from the Treasury for refundable deposits, should be noted under net liabilities of the Treasury.

- iv. Details regarding obligations of the institute as at 31st December 2013 viz, agreements to obtain supplies and services for the institute during the rest of the period should be submitted using DGSA 8(ii) form.
- v. Values given in the Appropriation Account form as reference notes in Annexure 01 should tally with the corresponding values in financial statements.

4. In the preparation of these financial statements, the following journal entries should be prepared in addition to the entries in the Appropriation Account and for this purpose, the institute should maintain a Journal Note Book.

i. Accounting of due arrears of revenue

Due Arrears of Revenue Account	-	debit
Relevant Revenue Account	-	credit

(Arrears of revenue, relating to each Revenue Head should be accounted separately and the institute should have detailed lists or computerized details regarding the arrears of revenue.)

ii. Accounting of accrued expenditure of recurrent/capital expenditure.

Relevant Expenditure Account	-	debit
Accrued Expenditure Account	-	credit

(Accounting of payable amounts for goods and services received by the institute during the year but not paid in cash during the year.)

iii. Accounting of Non-Current Assets.

Non-Current Assets Accounts	-	debit
Non-Current Assets Reserve Fund	-	credit

(Adjustments of acquisition cost or assessed value of non-current assets lying physically on the last date of the financial year)

5. A specimen of the statements of income and expenditure and the statement of financial position prepared in respect relation to the Department of State Accounts for the year 2011 has been included as annexure 02 of this Circular for your convenience.
6. It is emphasized that, in addition to preparing the account according to the Accrual method referred to above, all Ministries/Departments and institutes should prepare the Appropriation Account for the year 2013 on cash basis.
7. Any further clarifications regarding this Circular could be obtained from the Director (Accounts Services) Phone No. 0112-484753 and Deputy Director (Accounts Services) Phone No. 0112-484737.

Yours faithfully,



N.G.Dayaratne

Director General

Department of State Accounts

Copy to – Auditor General -for information



ரஶ்ர ிஶுதி டேஶர்஠தேஶ்஠ுல
அரஶ கணக்குகள் திணைக்களம்
Department of State Accounts

SA/AS/AA/Circular

12 .07.2013

All Secretaries to Ministries
Heads of Departments and
District Secretaries

Dear Sir / Madam,

Introduction of Code Numbers to Report Fixed and Current Assets in Accrual Based Accounting

This is further to the letter no. GFS/02 and dated 24.06.2013 with regard to accounting of fixed and current assets on Accrual Basis.

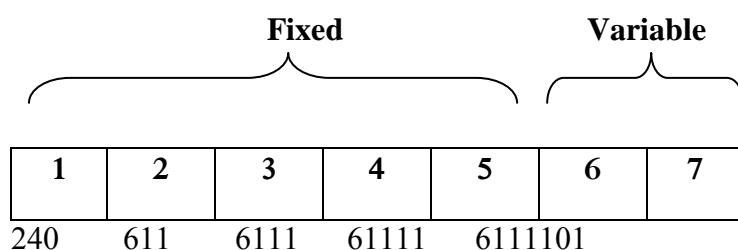
2. Accordingly, steps should be taken to include the value of fixed assets of each Ministry and Department i.e. Vehicles (2101), Furniture and Office Equipment (2102), Plant, Machinery and Equipment (2103), Buildings and Structures (2104) and Lands and Land Improvements (2105) in the books, as it has been planned to prepare accounts on Accrual Basis from the year 2013 as a pilot project. For this purpose, the Department of valuation has already initiated valuation of Buildings and Structures (2104) and Lands and Land Improvements (2105). Therefore, you are kindly informed to complete the valuation of respective Buildings and Lands with the assistance of the Departments of valuation within this year, if the said activity has not yet been completed.

2.1 Ministries and Departments should set up Independent Valuation Boards at their level and carry out valuation activities of other fixed assets except Lands and Buildings belong to the said institutions. Accordingly, action should be taken to include the cost of asset in the accounts, when the cost of asset could be identified, or include assessed value when the cost could not be identified.

2.2 At present, only the details regarding Vehicles, Furniture and Office Equipment and Plant, Machinery and Equipment in relation to the object codes 2101, 2102 and 2103 respectively are included in the Note (i), “Report of the Movement of Non-Current Assets” in preparation of Appropriation Account. However, details regarding Buildings and Structures (2104), Lands and Land Improvements (2105) should also be included in preparation of Appropriation Account in the year 2013. In addition, the amount indicated under additions of non-current assets during the year should be included as cash purchases and value assigned by other institutions separately together with the above information in preparation of Appropriation Account 2013. A format of Note (i) of the revised Appropriation Account is herewith submitted as Annexure I.

2.3 A coding system which could be implemented with the asset codes included in Government Finance Statistics (GFS) Manual 2001 is introduced in order to maintain the same method in accounting of fixed assets by all Ministries and Departments and to report the said assets through a computerized system and also to make the analysis of information on assets more convenient. The details in this regard are included in Annexure II. Accordingly, fixed and current assets belong to your institution should be classified according to code numbers and included in the assets register. Accounting activities of your institution would easily be carried out by using the new software developed for accounting of assets which has been included in new Computerized Integrated Government Accounting Programme (CIGAS).

2.4 The coding system is consistent with 7 main components as follows.



1 – Head No. of the Ministry / Department

2 – Main asset type

- I. fixed assets (611)
- II. stock (612)
- III. valuables (613)
- IV. non produced assets (614)

3 – Sub main assets under main asset type

Eg: Building and Structures under fixed assets (6111)

4 – Assets included in sub main assets type

Eg. Houses used as residences (61111)

5 – Other sub asset types included in “4” above.

Eg. Boathouses (6111101), Hotels and Restaurants (6111106)

In this manner, above mentioned codes of no.1 to 5 are fixed and no. 6 and 7 have been introduced in order to obtain information on assets of the respective institution conveniently as per their requirement. Fixed information on assets is used by the General Treasury to collect centralized data on assets and to prepare Account of the Republic at the end of the year.

2.5 In accordance with this new system of coding, new code no. 61121 for Vehicles (2101), code no. 61122 for Furniture and Office Equipment (2102) and Plant, Machinery and Equipment (2103), code no. 61112 for Buildings and Structures (2104) and code no. 614 for Lands and land Improvements (2105) have been introduced for Budget Estimates.

3. This circular letter is issued in order to introduce the new coding system in relation to fixed assets and thereby ensure the use of aforesaid code numbers for Buildings and Lands valued by the Department of valuation. Further, the asset management software has been introduced under New CIGAS programme. Therefore, you are kindly requested to forward any clarifications and suggestions in this regard to the Director of Accounting Services through the contact no. 011-2484753 or via E-mail arunak@treasury.gov.lk.

Yours faithfully,



N.G.Dayaratne

Director General

Department of State Accounts

Copies:

1. Auditor General
2. Director General – Department of Public Finance