PUBLIC ASSETS MANAGEMENT GUIDELINES 2025

Government of Pakistan

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PREFACE

Public assets are created by the government in pursuit of its constitutional and legal commitments to the people of Pakistan, including the efficient and effective delivery of public services. The need for improving performance and productivity in the 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 policy attention of the Government of Pakistan. The Public Assets Management Guidelines 2025 adopt a phased beginning with a long-term, lifecycle approach to managing public assets, thereby increasing their resilience and maximizing their value These guidelines will be implemented in a phased manner and the operational autonomy of the state-owned enterprises will not be unduly restricted.

The Ministry of Finance and Ministry of Planning, Development, and Special Initiatives, with the help of the Office of Controller General of Accounts and Revenue Mobilization Investment and Trade program, have reviewed international standards and the Government of Pakistan public asset management rules, manuals and guidelines in preparation of this document. This document is to serve as a notified system of building and maintaining a public assets registry and its attendant functions with the specification of important roles and responsibilities. To further facilitate the carrying out of functions, roles, and responsibilities by various government functionaries, a supplementary manual will be issued subsequently to elaborate the principles, technical concepts, methods, processes, and procedures mandated in this document. The implementation of these guidelines foresees the best opportunity to bring about accountability and responsibility in managing public assets. The guidelines apply to all forms of public assets other than financial assets, such as bonds and stocks, and current assets, such as inventory and supplies, that are separately treated.

Finance Secretary
Government of Pakistan

ACRONYMS

AGP	Auditor General of Pakistan
APPM	Accounting Policies and Procedures Manual
BCC	Budget Call Circular
CFAO	Chief Finance and Accounts Officer
CGA	Office of Controller General of Accounts
ECNEC	Executive Committee of National Economic Council
ERP	Enterprise Resource Planning
FABS	Financial Accounting & Budgeting System
GAAP	Generally Accepted Accounting Practice
IAS	International Accounting Standards
IIMM	International Infrastructure Management Manual
IPSAS	International Public Sector Accounting Standards
IFRS	International Financial Reporting 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
NAM	New Accounting Model
PAC	Public Accounts Committee
PAMGs	Public Asset Management Guidelines
PFM	Public Finance Management
PPRA	Public Procurement Regulatory Authority
SAP	Systems, Applications and Products

INTRODUCTION

The Public Assets Management Guidelines (PAMGs, guidelines from here onwards) have been developed by the Ministry of Finance (MOF) as a reference for multi-context application for Ministries, Divisions, Attached Departments, and Subordinate Offices (MDAS), which have been assigned responsibility for managing public assets under their administrative mandates. The guidelines seek to provide a consistent, international standards-aligned framework for Federal Government agencies to use when implementing a system of asset management planning.

These guidelines have been developed after extensive consultative sessions of the Committee on Asset Management, constituted by the MOF and having representatives from key stakeholders, on the analysis and integration of the responses on the draft guidelines from more than thirty divisions and departments, and preview of the best practices from other countries and international standards, including International Organization for Standardization (ISOs), International Public Sector Accounting Standards (IPSAS), and International Financial Reporting Standards (IFRS).

These guidelines will be a mandated mechanism for the acquisition, creation, documentation, operation, management, maintenance, sustenance, optimal upkeep, transfer, and disposal of public assets. The MOF shall ensure that MDAS, with some exceptions, use these guidelines to continuously improve their asset management policies and plans and take a 'whole of life' approach to the ownership of assets under their care, control, and areas of responsibility. A transformation of the public assets management will be achieved by documenting all public assets, creating a central asset register, and adopting asset management practices that maintain and extend the value of the assets for continuous operations at the 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 long-term 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 guidelines is essential and the first step in moving toward effective and efficient asset management.

The guidelines, and the supplementary manual subsequently issued by the MOF, prescribe

processes and procedures for acquisition, maintenance, accounting, disposal, and other activities involved in managing public assets. The Federal Government shall be able to monitor and evaluate its assets portfolios and adopt data-based decisions and policies. These guidelines and supplementary manual will also be a set of instruments to assess asset management protocols and practices in government agencies and devise plans for reaching the prescribed standards.

AIMS AND OBJECTIVES

These guidelines aim to systematize public asset records and documentation. The primary objectives of these Public Assets Management Guidelines are to:

- Establish a unified and consistent set of procedures for documenting and managing public assets during service delivery;
- Achieve accountability and transparency in the management of public assets;
- Set controls through clear and comprehensible instructions; and
- 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, must be identified, documented, registered, and monitored all their lives, from acquisition to disposal, to ensure value retention and value deployment at every stage, thus maximizing their value for public sector operations and the national economy.

An efficiently executed public assets management system will assist the Government in making informed decisions for improved service delivery. These guidelines envisage the operationalization of a central asset register in accordance with the Financial Accounting & Budgeting System (FABS) Assets Management Module at the Office of Controller General of Accounts (CGA) Office, effective assets maintenance plans, and adequate allocation of public funds for asset maintenance and optimal utilization.

SCOPE AND COVERAGE

These guidelines cover government-owned fixed assets, including land, buildings, infrastructure, plants & machinery, vehicles, computer equipment, and intangible fixed assets such as licenses, software, etc. Financial assets, such as bonds and stocks, and current assets, such as inventory and supplies, are not governed by these guidelines. All fixed assets, whose historical cost or fair value is equal to or above one million rupees, will be recorded, managed,

and maintained according to these guidelines. This minimum threshold will be revisited every three years by the MOF. Heritage assets will also to recorded, although their treatment would be different from other fixed assets.

Compliance with these guidelines will be mandatory on all MDAS and other entities, which operate in the Federal Government domain and/or are receiving public funds, subject to provisions of any existing laws or rules. State-owned enterprises that follow internationally accepted accounting standards and have been given an unqualified report by their external auditors during the last two years may not follow all guidelines and are only required to send requisite asset information to the central asset register at the CGA Office. All other organizations must align their asset management to these guidelines within one year from the date of gazette notification.

EFFECTIVE DATE

This Public Assets Management Guidelines 2025 shall be effective from the date they are approved by the Executive Committee of National Economic Council (ECNEC).

STATUTORY FRAMEWORK

The governance of public assets is derived from a set of statutes and subordinate rules, regulations, etc. that provide the legal foundations, identify and define rights and obligations, and devolve roles and responsibilities concerning public asset management. Reference to these foundations is important to ensure that public asset management develops and carries on organically 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
- Auditor General of Pakistan 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
- Accounting Policies and Procedures Manual

- Manual of Accounting Principles
- New Accounting Model (NAM) & Chart of Accounts
- Any other relevant legislation, rules, etc.

INTERNATIONAL ASSETS MANAGEMENT STANDARDS

The IPSAS are the principal standards, developed by The International Public Sector Accounting Standards Board, for use by public sector organizations around the world for the preparation of financial statements. These guidelines and the manual will be based on the IPSAS and MDAS are required to follow IPSAS, however, IFRS and ISO 55000 suite can be followed in specific circumstances. The adoption of the IPSAS on asset management will enable MDAS to achieve their organizational objectives through the maximum utilization of their own assets. The organizational objectives will be consistently translated into asset-related decisions, and subsequent plans and activities will be organized 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 public assets.

It is recommended that MDAS should encourage their staff to familiarize themselves with the IPSAS to build knowledge and capabilities within the organizations.

ASSET MANAGEMENT PRINCIPLES

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

- Whole-of-life approach: Decisions regarding asset management are to be taken based on the whole-of-asset-life approach.
- Ownership: Clear ownership, usually assigned to the organization operating the asset, will give government entities autonomy to make the best decisions regarding their assets.
- Alignment: All guidelines, plans, and rules related to asset management must align with the requirements of the IPSAS. All asset management decisions must support the MDAS's mission, objectives, plans, and responsibilities as given in the Rules of Business and other documents.
- 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 the Federal Government public sector envisages different entities with different roles for proper management of public assets. The following are the roles and responsibilities of the key entities in asset management.

Role of the CGA Office

The CGA Office will be responsible for maintaining public assets records and shall perform duties in the light of CGA Ordinance 2001. It will guide all MDAS/reporting agencies, which manage public assets, in providing assets' information, monitoring compliance with the PFM Act, recording the acquisition, transfer, and disposal of public assets, and deciding on accounting and depreciating of assets. The central asset register shall work under the supervision of the CGA Office.

The CGA Office is the custodian of the FABS or the Financial Accounting & Budgeting System, which incorporates the NAM and is integrated into SAP-ERP (enterprise resource planning)-based platform. It processes and records all financial transactions of the Central Account-I 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 Office will issue instructions to MDAS regarding the type and granularity of asset data required. These instructions will be based on IPSAS, 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 its periodic reports to the Ministry of Finance, which will take measures to ensure compliance.

The CGA Office shall:

- Ensure that the central asset register adheres to the IPSAS standards, incorporating detailed data on acquisition cost, depreciation, and revaluation. The system should

allow for real-time updates from reporting agencies and support accrual accounting for public assets in the future;

- Add/review the forms for recording assets, their values, and other details in the supplementary manual;
- Provide in the supplementary manual reporting frequencies and reporting modalities;
- Enunciate in the supplementary manual formats of the central asset register, its data content, data management, data access, and reporting outputs;
- Design and operate a system for data input, collation, management and reporting;
- Inform the MOF about any material change in assets of any MDAS;
- Allow generation of analytic reports for government computations and decisions;
- Provide reports from the central asset register to the MOF as and when required; and
- Issue an annual report on the public assets of the Federal Government.

Role of Reporting Agencies

All MDAS, with principal accounting officers, are reporting agencies. The asset data of all reporting agencies will be submitted to the CGA Office to be made part of the central asset register. The Principal Accounting Officer (PAO) or the head of a reporting agency (from here onwards, the PAO will also include the head of the reporting agency, if the agency does not have a PAO) is responsible for all matters relating to public assets management. The following are the responsibilities of the reporting agencies:

- Execute and implement guidelines, supplementary manual, 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;
- Make an annual asset management plan that includes plans for acquisition, repair, management, disposal, etc. of assets. This plan will be submitted to the MOF, at a time prescribed in the BCC, giving details of the expenditure on asset acquisition and management for the coming financial year;
- Introduce and implement a proper internal control system for public assets management as per the guidance of the MOF and CGA Office;
- Determine the identification and classification of public assets based on the instructions given in the supplementary manual;
- Ensure that assets are acquired and disposed of in accordance with the guidelines, supplementary manual, and other relevant legislation and regulations;

- Approve asset statements for public entities before updating into the register and certify asset statements of public entities before preparing the final accounts;
- Observe proper valuation of public assets in accordance with the IPSAS;
- Facilitate and coordinate trainings on the IPSAS and public assets management within the agency;
- Submit quarterly assets statement to the CGA Office in the format prescribed in the supplementary manual and get the asset statement reconciled with the central asset register;
- Inform the CGA Office about any material change in operations that may demand a change in the format of the departmental assets register.

Role of the MOF

According to the Rules of Business, 1973, the responsibilities of the Finance Division, which is part of the MOF, include all matters relating to accounts, audits, and finances of the Federal Government & financial matters affecting the country as a whole. Furthermore, the Finance Division has to be consulted whenever there is a proposal for alteration in the method of compilation of accounts. In view of the above, the MOF has the following responsibilities:

- Issue and revise of the guidelines and supplementary manual;
- Coordinate, consult, and monitor the observance of the guidelines and supplementary manual across the Federal Government;
- Review the central asset register and reports from the CGA Office, and issue instructions to them and reporting agencies on any data collection and information requirements that may be necessary for the optimal management of public assets;
- Review the annual asset management plans of the reporting agencies, as required by the BCC, and use them while appraising their budget proposals;
- Monitor the reporting agencies, with the help of the CGA Office, for the observance of guidelines and taking measures, including suspension of release of funds, to encourage agencies to follow guidelines;
- Facilitate and coordinate training on public assets management in the Federal Government.
- Constitute a periodic review committee, with membership from the MOP, MOPDSI, & CGA, that will meet regularly;
- Convene a biannual meeting, chaired by the Finance Secretary, to review the progress

on implementation of these guidelines.

Role of Other Ministries and Divisions

The Rules of Business 1973 and other statutes assign roles and functions to various divisions of the Federal Government. The Planning, Development, and Special Initiatives Division plans and monitors development expenditure, which is responsible for creating major public assets. The Privatization Commission has been entrusted with a specific role concerning the disposal of assets and properties owned by the government organizations. These guidelines will work to strengthen the roles assigned to various divisions by legislation and the Rules of Business, 1973.

DEPARTMENTAL AND CENTRAL ASSET REGISTERS

A departmental asset register shall be maintained by each reporting agency, alongside the central asset register at the CGA Office. The departmental asset register must be aligned with the reporting requirements of the central asset register. Reporting agencies shall ensure real-time updates in the departmental assets register to strengthen internal controls and facilitate decision making. The Chief Finance and Accounts Officer (CFAO) will submit the departmental asset register to the PAO for quarterly review. An asset shall remain in the departmental asset register as long as it physically exists and will be subjected to an annual review to determine its remaining economic life.

A departmental asset register, as given in the supplementary manual, should include:

- Annual asset management plan (explained below);
- 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 schedule;
- Technical information, such as manufacturer, 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;

- Performance information such as utilization, service capacity, effectiveness, and efficiency;
- Risks and threats to assets; and
- Similar information on the assets of the attached departments and other subsidiaries.

The departmental asset register should be an integrated component of the agency asset management system that tracks assets throughout their lifecycle, supporting asset management decisions, and should be linked to related information management systems, such as the agency's financial management system.

The central asset register, as explained above, is a single, comprehensive register of public assets maintained by the CGA Office. The departmental asset registers shall be directly synched with the central asset register to ensure real-time availability of information, data accuracy, and avoidance of duplication. The central asset register does not require the same level of detail as the departmental asset register. Therefore, each reporting agency will provide the following information to the CGA Office for its assets:

- Description
- Classification
- Date of purchase/completion
- Cost in rupees
- Asset identification number
- Current location
- Date and method of valuation (if any) and estimated price/value
- Depreciation method

ANNUAL ASSET MANAGEMENT PLAN

Each agency shall prepare an annual asset management plan for the coming financial year and submit it to the MOF and CGA Office. The PAO will approve this plan, make it part of the departmental asset register, and ensure that this plan is followed, keeping in view the budgetary constraints. This plan will include the following details:

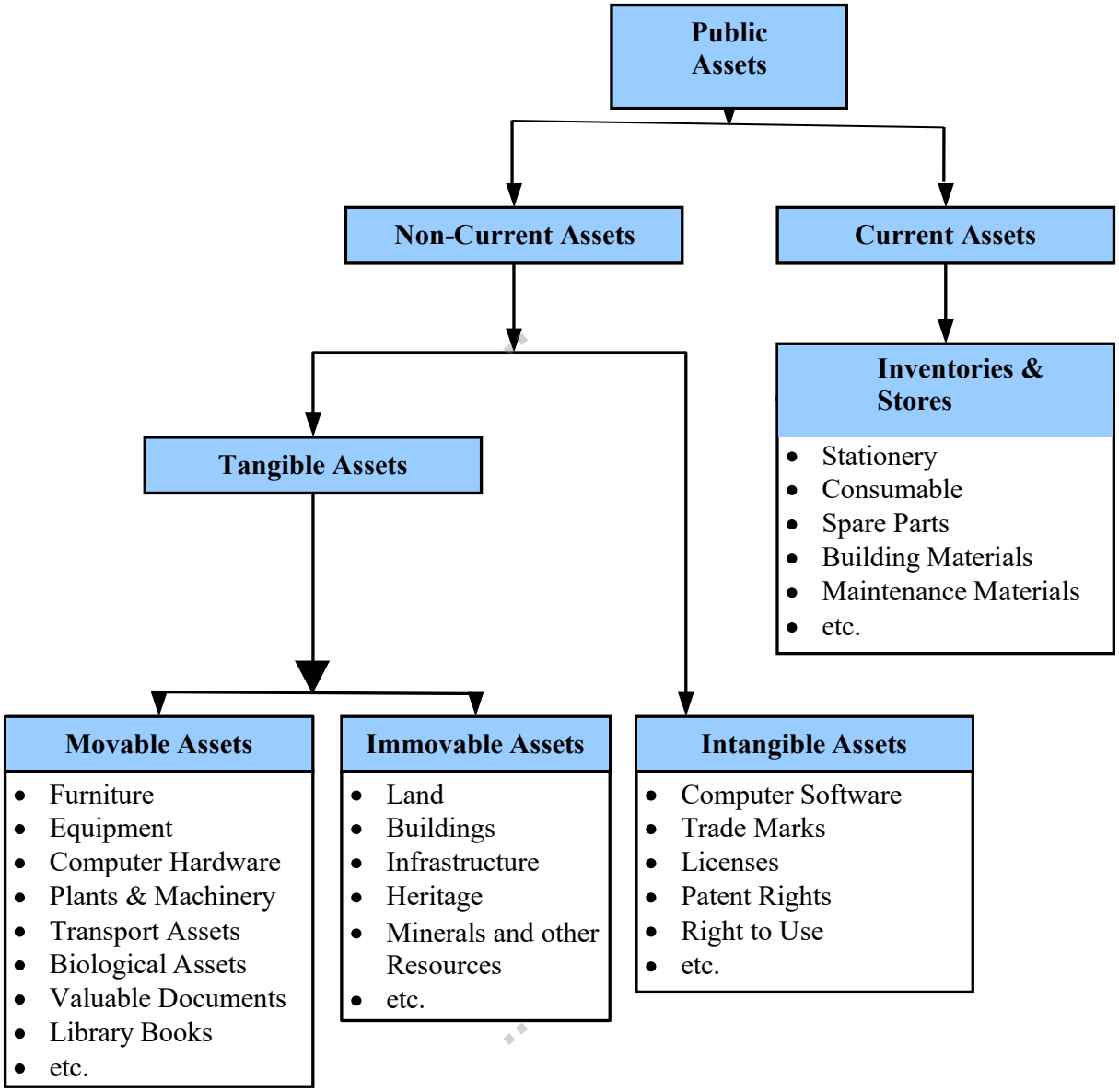
- Details of assets to be procured during the next financial year, with their estimated price and justification, keeping in view the allocation and availability of funds;
- Estimated costs of repair and maintenance of each asset;

- Outline priority maintenance to manage performance gaps and mitigate risks;
- Disposal/transfer/writing-off of assets, with their book value;
- Costs of safety and security of assets.

The format of the asset management plan will be given in the supplementary manual.

CLASSIFICATION OF ASSETS

Classification of public assets is a grouping of assets of similar nature or function. These guidelines pertain to fixed (non-current) public assets.



ACQUISITION OF PUBLIC ASSETS

Assets may be acquired through procurement, transfers, inheritance, confiscation, donations, or any other method considered appropriate. The methods applied for the acquisition of assets shall be in accordance with the IPSAS and relevant legislation and regulations. Chapter 13 of the Accounting Policies and Procedures Manual (APPM) by the AGP provides details of the procedures to be followed for procurement and management of public assets.

IDENTIFICATION AND RECOGNITION OF ASSETS

Every acquired asset shall be identified by a unique identification code/number as per SAP Asset Management Module. The identification will depend on the nature of a particular asset class. The price value of the asset can be recognized or recorded at historical cost (cost of procurement/construction) or at a re-valued amount in the asset register. For an asset to be recognized, it shall meet the criteria including future economic benefits or service potential of the asset and public entity's control over the asset. Costs include all expenses directly attributable to bringing the asset to its intended use.

VALUATION OF ASSETS

Valuation of an asset establishes the fair value of an asset based on value-determining factors (i.e. physical condition, replacement cost, location, etc.). Public assets valuation shall be done based on the IPSAS. Valuation generally needs technical expertise that is usually not present in the MDAS. Therefore, the valuation of assets will be conducted only when it is required or necessary.

MAINTENANCE OF ASSETS

The objective of the maintenance is to ensure that assets remain useful for the intended purpose, service delivery, and economically utilized to maximize benefit to the organization. A transparent, sustainable, effective, and rigorous repair and maintenance of public assets will reduce demand for the acquisition or creation of their costly replacements. The PAO shall be responsible for ensuring the repair and maintenance of assets. The annual asset management plan will include maintenance details and costs of maintenance of every asset and this plan, as mentioned earlier, will become part of the departmental asset register and shared with the CGA Office and the MOF. In addition, all PAOs shall review maintenance records of all assets and substantiate any costs that were not part of the annual

asset management plan.

VERIFICATION OF ASSETS

Verification of assets shall be undertaken by the CFAO (or a senior officer, designated by the PAO, if there is no CFAO), annually or whenever the PAO feels the need. Verification of assets is conducted, as per IPSAS requirements, 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 updated asset information to the CGA Office for the central asset register.

DISPOSAL and TRANSFER OF ASSETS

The PAO shall select assets to be disposed of during the year to remove assets that have become uneconomic to maintain. The CFAO (or a senior officer, designated by the PAO, if there is no CFAO) shall survey to inspect and prepare a report which will be used for developing a disposal plan. For considering asset disposal, its residual value, de-commissioning costs, impact on service delivery, and sensitivity of disposal are required to be thoroughly analyzed.

Methods and procedures for public asset disposal shall be in accordance with the IPSAS, Privatization Ordinance, PPRA Ordinance, PFM Act, and other relevant legislation and regulations. After disposal is completed, the reporting agency shall update the departmental assets register accordingly.

Any transfer of assets shall be done as per existing law/rules/regulations whereas transfer within the reporting agency shall be approved by the PAO. Transfer between entities shall be reported to the CGA Office and MOF every quarter, including justification, price of the asset, and cost of the transfer.

DEPRECIATION OF ASSETS

Following the IPSAS, the reporting agencies will depreciate their assets to reflect physical deterioration and functional or economic obsolescence. Public assets will generally be depreciated using a straight-line method. The supplementary manual will give procedures for the depreciation of all classes of assets.

SAFETY AND SECURITY OF ASSETS

The PAO shall be responsible for documenting the risks to assets in the departmental asset 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. Every quarter, the PAO shall inform the CGA Office on issues relating to accidents involving public assets that result in major losses to the public exchequer.

WRITE-OFF OF ASSET LOSSES

Write-off of asset losses shall involve the removal of an asset from the accounting records of a public entity. The causes of asset losses include theft, fraud, accidents, natural calamities, damages, etc. The CFAO (or a senior officer, designated by the PAO, if there is no CFAO) shall prepare and submit reasons to the PAO, who will write off the asset in accordance with the IPSAS and relevant laws, rules, and regulations. The PAO will submit a Statement of Loss to the CGA Office quarterly.

REVIEWING/REVISING THE GUIDELINES

The Public Asset Management Guidelines 2025 can be amended by the ECNEC, as and when deemed necessary. If any difficulty arises in giving effect to these guidelines, the Finance Division, in consultation with the Ministry of Planning, Development & Special Initiatives (MOPDSI) and CGA, may make such order not inconsistent with these guidelines, as it may consider necessary, for the removal of such difficulty.

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).

Assets Register is a data source that records information on an entity's assets of a certain value. Information may include the assets' location, condition, utilization, and ownership details, as well as the value and depreciation of the asset and its major components.

Asset Valuation is the process of determining the fair value of an asset. It is usually done by a designated valuation expert/company.

Assets Verification is not only confirming the physical presence of 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. Depreciation expense is the systematic allocation of the depreciable amount of an asset over its useful life to the income statement

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.

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).

Economic Life refers to the expected period over which an asset is to be economically used. It is the estimated total service, expressed in terms of production units that is expected to be economically obtained from the asset when employed in the business of an entity.

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.

Goods mean 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 types of assets such as immovable 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.

Heritage Assets are assets that are intended to be held indefinitely and preserved for the benefit of present and future generations because of their rarity and/or significance in relation, but not limited, to their archeological, architectural, agricultural, artistic, cultural, environmental, historical, natural, scientific or technological features.

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.

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 software, trademarks, licenses, and/or legally enforceable rights associated with copyrights and patents that 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 purposes other than agriculture thereto as prescribed in section 2 of the Federal Government Lands and Buildings (Recovery of Possession) Ordinance 1965. Furthermore, benefits arise out of land and things attached to the earth or permanently fastened to anything attached to the earth in section 3 of the 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 be exchanged 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 that 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).

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

Public Entity, for these guidelines, is an organizational unit of the Federal Government that is established for specific public service.

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.

Public Procurement means the 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 assets; or
- Receive a benefit either from the 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.

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 their useful life.

Replacement is the complete replacement of an asset that has reached the end of its life, 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 established and controlled by the federal government, and other entities which are regularly receiving funds from the federal government for acquiring and maintenance of assets, 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 the 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-of-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 mean 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.