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Measurement of non-financial assets at current operational value

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Abstract

Purpose: In public sector entities, non-financial assets may provide either economic benefits or service potential, depending on their intended use. This distinction influences the selection of an appropriate measurement method. Measuring non-financial assets intended to provide services – rather than generate revenue – has long been a challenge in the public sector. To address this issue, the International Public Sector Accounting Standards Board (IPSASB) introduced changes to the *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities* and, in May 2023, issued a new standard: IPSAS 46 – "Measurement." As part of these changes, IPSASB revised the concept of "current value" by introducing two new bases into the IPSAS framework: *fair value* and *current operational value*. The purpose of this research is to review the newly developed measurement base – current operational value – and analyze its significance and impact on financial statements. The objectives of the research are: (1) To examine the various measurement methods; and (2) To analyze the circumstances under which non-financial assets are measured using this method.

Design/Methodology/Approach: To achieve the objectives of the study, a combined approach was employed, incorporating a structured review, scientific literature analysis, and empirical data collection.

The structured review involved the analysis of international standards and guidelines related to asset valuation. Scientific articles were identified and reviewed using the Google Scholar platform. Empirical data were collected through a telephone survey involving 45 respondents, including representatives from the State Treasury, public sector organizations, and academia.

Findings: This paper highlights the key issues related to the measurement of assets in the public sector. It analyzes the factors that have led to changes in the measurement of financial statement elements under IPSAS.

The paper presents the concept of current operational value, its measurement approach, and the significance of this method in enhancing the qualitative characteristics of financial statements.

Practical Implications: By highlighting new trends in the measurement of non-financial assets, this research contributes to the understanding of asset measurement challenges in the public sector and their practical application.

Originality/Value: This study explores the challenges associated with the use of current operational value and its impact on asset valuation in the public sector.

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INTRODUCTION

The recognition of elements in financial statements occurs in monetary terms, which requires the measurement of their value. The basis of this measurement is any identifiable characteristic of the item being measured—for example, initial cost, fair value, or fulfillment value. Based on the selected measurement basis, certain indicators in the financial statements are derived (Jikia 2019).

This research examines the changes and innovations introduced by the International Public Sector Accounting Standards Board (IPSASB) regarding the measurement of elements in financial statements.

The purpose of the study is to review and analyze the measurement methods defined by IPSAS 46, including improvements to the conceptual framework, and to assess their importance in the recognition of assets and liabilities in financial statements.

The objectives of the research are to study various measurement methods—including the concept of current operational value—and to analyze the conditions under which non-financial assets are measured using this approach.

The article systematically identifies the key issues related to asset measurement in the public sector. The presented material, which highlights new trends in measurement, aims to contribute to understanding the development of asset measurement challenges in the public sector and their practical implications.

The study outlines the main directions of asset measurement in the public sector, based on the analysis, synthesis, and comparison of relevant standards, guidelines, and recommendations.

LITERATURE REVIEW

Several significant studies have addressed the measurement of financial reporting elements, particularly focusing on fair value measurement within the IFRS framework.

Marks (2011), in his book The Most Important Thing, emphasizes the importance of valuation principles and the inherent uncertainties associated with asset valuation, offering a practitioner's perspective on market behavior and fair value dynamics.

DeFond, Hu, Hung and Li (2020), in their study The Effect of Fair Value Accounting on the Performance Evaluation Role of Earnings, explore how fair value accounting influences the informativeness of earnings, highlighting both the benefits and potential distortions in evaluating financial performance.

Maisuradze and Vardiashvili (2016), in Main Aspects of Measurement of the Fair Value of Non-Financial Assets, discuss key theoretical and practical issues in applying fair value measurement to non-financial assets—particularly in developing economies—and emphasize the complexity of reliably determining fair values under conditions of market imperfection.

Ewa, Kankpang, Adesola, and Essien (2025), in their work Critical Evaluation of the Fairness of the Fair Value Concept, critically assess the objectivity and practical limitations of the fair value framework, arguing that despite its conceptual appeal, fair value often struggles to reflect true economic reality in volatile or inactive markets.

In contrast, literature addressing the measurement of current operational value is relatively limited due to the recent emergence of the concept. Primary sources in this area include exposure drafts and standards issued by the International Public Sector Accounting Standards Board (IPSASB), such as ED 76 (Conceptual Framework Update: Chapter 7 – Measurement of Assets and Liabilities in Financial Statements), ED 77 (Measurement), and IPSAS 46 (Measurement). These documents introduce current operational value as a measurement basis particularly suited for valuing assets based on their service potential, addressing the specific needs of public sector financial reporting. The approach has also been discussed in publications released by leading global accounting firms (Exposure Draft 76; Exposure Draft 77; IPSAS 46).

RESEARCH METHODOLOGY

Data Collection Methods

To achieve the research objectives, a mixed-methods approach was employed, combining both documentary analysis and empirical data collection.

Data were collected using the following methods:

- A structured review of relevant standards, guidelines, and recommendations related to key approaches to asset valuation in the public sector.
- An online survey based on a structured questionnaire, administered via telephone interviews.
- A literature review — research papers related to asset measurement were systematically identified and analyzed using academic platforms.

Description of the Questionnaire and Survey Process

To examine the practical applicability and key challenges of measuring assets at current operational value, and at current value more broadly, an online survey was conducted.

The survey was carried out through telephone interviews between April 24 and April 28, 2025. A total of 45 respondents participated in the survey, including:

- 2 representatives from the Methodological Department of the State Treasury of Georgia
- 4 academic instructors specializing in financial accounting and public sector accounting standards
- 39 chief accountants and financial managers from public sector organizations

The survey was conducted on a voluntary and anonymous basis. The questionnaire was structured and consisted of both closed-ended and semi-open-ended questions, aimed at capturing professional experiences and practical perspectives.

RESULTS AND DISCUSSION

Importance of Measurement of the Elements of Financial Statements

Financial reporting provides a structured overview of an entity's resources and liabilities at the reporting date, offering users valuable insights into the entity's performance and financial health. This is achieved when the information adheres to the qualitative characteristics defined by the conceptual framework of general-purpose financial statements (Sabauri 2024). "Financial statements prepared in accordance with the standards should accurately and timely reflect the events that occurred during a specific period. This is crucial, as every individual or organization is interested in understanding the future of their investments and the entities in which they decide to invest" (Sabauri 2018).

The main users of public sector financial reporting include legislative bodies, ministries, councils, commissions, international governmental organizations, and other entities within the public sector (Conceptual Framework 2024).

Measurement is a critical component of financial reporting because it provides accurate and reliable information about the value of an entity's assets and liabilities. Beyond meeting the information needs of service recipients and resource providers, this information is also valuable to other parties, such as statisticians, analysts, media, financial advisors, and others.

In addition to serving the interests of users of financial statements, there are other reasons why the elements of financial statements are measured. One of the main reasons is to ensure compliance with accounting standards and regulations (Sabauri, Vardiashvili and Maisuradze 2022). For example, IFRS and Generally Accepted Accounting Principles require that assets and liabilities be measured at fair value, "which is the price that would have been received or paid voluntarily by market participants as a result of the sale of an asset or the transfer of a liability on the date of measurement" (Maisuradze and Vardiashvili 2016).

When measuring the fair value of a non-financial asset, the ability of a market participant to obtain economic benefits through the asset's highest and best use is taken into account (Vardiashvili 2018).

Entities must perform regular measurements of their property and liabilities to ensure compliance with the requirements of accounting standards (Maisuradze 2017). The frequency of revaluations depends on changes in the fair value of the property, plant, and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, another revaluation is necessary to ensure that, at the end of the reporting period, the asset's carrying value does not differ substantially from its current value. For assets with relatively stable market prices, it is generally sufficient to conduct a revaluation every three to five years (IFRS Foundation 2024).

Another important reason for measuring assets and liabilities is to promote transparency and accountability. As Sabauri (2018) notes, "Financial reporting is of great importance for consumers who need proper accounting information to make investment and other decisions."

Additionally, asset measurement plays a key role in taxation, insurance, and legal disputes. For instance, in order to calculate tax liability or for insurance purposes, entities must determine the value of their property. In legal disputes, measurement is often required as evidence in court (Sabauri and Kvatashidze 2022).

Measurement, one of the main components of financial statements, often relies on the use of complex models and professional judgment. As a result, it is frequently subjective. Selecting an appropriate basis for measuring assets and liabilities supports the objectives of financial reporting in the public sector by providing information that enables users to assess:

- the cost of services delivered during the period, whether based on historical or current terms;
- the operational capacity of the entity to sustain service delivery in future periods using physical and other resources; and
- the financial capacity of the entity to fund its activities (Conceptual Framework 2024).

Thus, measurement plays a crucial role in presenting high-quality financial information. In order to recognize elements in the financial statements, it is essential to determine their monetary value. This can be achieved only through the measurement process, which involves selecting the appropriate basis and method of measurement (Vardiashvili 2019).

Changes made in IPSAS

The primary purpose of owning assets in the public sector is to provide services to the public free of charge. However, under certain circumstances, public sector entities may use a portion of their assets to generate income through commercial activities (Vardiashvili 2024a). As a result, some assets are cash-generating, while others are not. Accordingly, the criteria for recognizing fixed assets incorporate both concepts: *economic benefit* and *service potential*. Assets that support the core functions of public sector entities generally do not generate cash flows but serve as a fundamental basis for fulfilling these functions (Vardiashvili and Maisuradze 2017).

To measure assets in such cases, an entity may independently develop criteria—in line with the requirements of the relevant Standard—to distinguish between cash-generating and non-cash-generating assets (Vardiashvili 2024b), as this distinction affects the classification of assets held by the entity.

Public sector entities often acquire assets that are tailored to specific operational requirements and for which other market participants would be unwilling to pay a comparable price. Most of these assets have unique characteristics, making it nearly impossible to acquire or sell them in open, active, and organized markets. Examples include infrastructure facilities such as road networks, sewerage systems, water and electricity supply systems, communication networks, as well as nuclear power plants, railways, public hospitals, and similar assets**.**

Given the specific nature of these assets and the fact that their use by other operators is limited, it is unlikely that an active market exists for them. This imposes certain constraints on the selection of an appropriate measurement method.

However, in some cases, information about the initial or historical cost of non-financial assets is unavailable, and no active market exists through which their value can be determined. Measuring the current value of non-financial assets held for their operational capacity—rather than for generating financial income—cannot be effectively achieved using the standard-defined measurement models in the public sector. This has presented an ongoing challenge in public sector financial reporting.

To address this issue, in 2021, the IPSASB developed two exposure drafts: ED 76 *Conceptual Framework Update: Chapter 7, Measurement of Assets and Liabilities in Financial Statements* and ED 77 *Measurement*. The purpose of these drafts was to enhance the measurement guidance within IPSAS and to promote greater consistency between the Conceptual Framework and the Standards.

The updated Conceptual Framework simplifies measurement principles by eliminating rarely used measurement methods and placing greater emphasis on those widely applied in the financial statements of public sector entities. To align the measurement-related revisions in the Conceptual Framework with the Standards, the IPSASB issued IPSAS 46 — Measurement — in May 2023, which will come into effect on 1 January 2025.

These two developments—the Conceptual Framework update and IPSAS 46—together establish the main foundation for measuring financial elements in public sector financial statements. IPSAS 46 serves as an intermediate link between the overarching principles of the Conceptual Framework and the more detailed individual standards that have also been updated.

In addition to IPSAS 46, the IPSASB introduced further updates to improve measurement and accounting in the public sector. These include:

- IPSAS 43 – Leases: Amendments in this standard address the recognition and measurement of right-of-use assets, as well as related risks and benefits.
- IPSAS 44 – Non-Current Assets Held for Sale and Discontinued Operations: Modeled after IFRS 5, this new standard provides guidance on the accounting and disclosure of assets held for sale and discontinued operations.
- IPSAS 45 – Property, Plant, and Equipment: Aligned with changes in measurement approaches, this standard introduces the assessment of current operational value for assets preserved for service delivery purposes (According to *2023 Updates on Global Public Sector Reporting Standards* [AT-MIA 2024]).

Standardization in public sector accounting remains a dynamic and evolving process. All of these standards contribute to enhancing financial reporting by promoting clarity, consistency, and sound foundational principles for various measurement and recognition practices (Vardiashvili 2015).

These changes effectively address the previously existing gap in the International Public Sector Accounting Standards (IPSAS) regarding the measurement of current value. IPSAS 46, Measurement, introduces a

unified framework that consolidates key concepts and recommendations on measurement into a single standard, outlining how various measurement methods should be applied in practice.
The revisions primarily focus on the determination of current value. The following new approaches have been introduced to replace previous methods:

- Current Operational Value – for assets;
- Cost of Fulfillment – for liabilities;
- Fair Value – for both assets and liabilities, replacing the previously used market value approach.

For the first time, IPSAS includes general principles and guidance for the application of fair value measurement and its alternative, current operational value. The principles for fair value measurement are aligned with those established in IFRS 13 Fair Value Measurement (Druzhilovskaya 2021; ICAEW 2023). The use of fair value is appropriate when an asset is held primarily for its ability to generate economic benefits—such as cash inflows or reductions in cash outflows—or for sale. The IPSASB concluded that fair value is not an appropriate basis for measuring the current value of operating assets. Instead, it proposed an alternative approach: current operational value.

IPSAS 46 establishes consistent measurement principles for public sector entities, which are essential for enhancing comparability and reliability in financial statements. The standard provides a unified framework for measuring assets, liabilities, income, and expenses, thereby reducing inconsistencies and promoting higher quality in financial reporting.

However, the determination of the appropriate measurement basis and specific requirements—such as for impairment, depreciation, and amortization—remains the responsibility of individual IPSAS standards that address the relevant classes of assets and liabilities.

Current Operational Value

The market-based approach to measurement is useful for assessing an asset's financial and operational capacity when the asset is non-specialized and actively traded in open, organized markets. However, for specialized operational assets—where market-based information is limited—additional measurement methods are required to provide meaningful insight into their service value and operational capacity.

The choice of measurement basis for an asset's current value depends on the intended purpose of its use. Under IPSAS 45 (2023), an item or component of property, plant, and equipment that is held primarily for its operational capacity is measured at current operational value. Conversely, if the asset is held primarily for its financial capacity, it is measured at fair value (IPSAS 45 2023).

The IPSASB's proposed definition of current operational value is as follows: "Current operational value is the value of an asset used to achieve the right's service delivery objectives at the measurement date" (Exposure Draft 77).

The primary purpose of this measurement basis is to reflect the value of a non-financial asset as a means to enable service delivery within a public sector entity.

The current operational value provides financial information about assets, along with associated depreciation and amortization, as of the measurement date, based on up-to-date information. As such, it captures changes in asset value since the previous measurement date. Similar to fair value and fulfillment value, current operational value does not depend—even in part—on the transaction or event that gave rise to the asset.

This measurement basis reflects the operational capacity of an asset, meaning its ability to deliver services at the current level, rather than its potential market value. It represents a broad, principles-based approach which, unlike fair value, considers the asset's value in its current use, not in its highest and best use.

Moreover, this measurement approach introduces general guidance on current value that had not been fully integrated into public sector accounting standards prior to these developments.

Current operational value differs from fair value in several key ways:

- It is explicitly an entity-specific price and includes all the costs that must be incurred to maintain the asset's remaining service potential for the entity;
- It reflects the value of an asset in its existing use, rather than in its highest and best use (e.g., a building currently functioning as a hospital); and
- It considers the economic position of the specific entity, making the valuation context-dependent and not generalizable across entities.

Importantly, the measurement of current operational value does not consider alternative uses of the asset that could potentially increase its market value. For example, if a building is used as a school, it is valued as an educational facility—even though its market value might be higher if repurposed as office space.

Measurement of Current Operational Value

To measure current operational value, both the market approach and the cost approach may be applied. In certain cases, there may be an active market for an identical asset, making the use of the market approach a direct and practical method of measurement.

The market approach is defined as a measurement technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities, or groups of assets and liabilities (Maisuradze and Vardiashvili 2023).

When there is an active market for an identical or similar asset, the current operational value is measured as the amount the entity would pay, based on either:

- The price to acquire an identical or similar asset in an active market; or
- The costs incurred to produce an identical or similar asset (IPSAS 46 2023).

As an asset becomes more specialized, the likelihood of an active market diminishes. In such cases, the cost approach becomes more relevant. For instance, if market prices exist only for new assets, but the asset being measured is used, the current price of an identical or similar asset must be adjusted to reflect its remaining useful life and current condition. In both scenarios, however, the primary objective remains the same: to reflect the value of the asset in its current use for service delivery, under present market conditions.

When no active market exists, a reliable acquisition price for an identical or similar asset generally will not be available. In such cases, the current operational value must be estimated based on the costs to develop or produce the asset, using available price information. For example, many military assets, such as aircraft, typically do not have active markets. These assets often cannot be acquired as finished products that are identical or similar to the specific asset under valuation. Therefore, estimating the current operational value generally requires measuring the cost of each component—such as the fuselage, engine, and electronics—and the cost of assembling these components into the same or a similar aircraft, adjusted for age, functionality, and condition (IPSAS 46 2023).

The current operational value has the following characteristics:

- It is based on the current use of the asset;
- It assumes the asset is intended for the provision of services, not for sale;
- It is entity-specific, reflecting the economic situation of the organization rather than the position of market participants.

Regarding the income approach, its measurement techniques are generally not suitable for determining current operational value, as public sector assets often generate little or no cash flows, and future revenue flows are not discounted (Conceptual Framework 2024).

While in some cases the current operational value can be directly determined by observing prices in an active market, in other cases it must be estimated indirectly using alternative measurement methods. The current operational value depends on several key factors, including the asset's geographical location, its value within the context of the organization's activities, any operational limitations, and the most cost-effective way to provide services.

A current operational value measurement requires the entity to determine all of the following:

- The amount the entity would pay, which includes assessing the price that would be paid in an active market or the cost the entity would incur to acquire the asset in the least costly manner;
- The remaining service potential of the asset, taking into account its current condition;
- The asset, consistent with its unit of account, including assessing its existing use and location, based on the availability of data that faithfully represents the entity-specific assumptions;
- The measurement techniques appropriate for estimating the factors listed above, considering the availability of data that faithfully represents the entity-specific assumptions (IPSAS 46 2023).

In the financial statements, the current operational value reflects the operational potential of the asset from the organization's perspective. It represents the amount recorded in the entity's balance sheet that the entity would pay for the remaining service potential of the existing asset at the measurement date.

In the statement of financial results, it reflects the portion of the asset's value consumed in providing services as of the measurement date.

Application of the Current Operational Value Concept within the IPSAS Framework: Empirical Analysis from Georgia

Since 2009, Georgia has been undergoing a public sector accounting reform aimed at enhancing the transparency and reliability of public finances through the implementation of International Public Sector Accounting Standards (IPSAS). To support this objective, as of January 1, 2021, all public sector entities in Georgia are required to prepare their financial statements in accordance with IPSAS.

To explore this topic, structured telephone interviews were conducted using a targeted sampling strategy. Participants were selected based on their expertise and relevant knowledge in the valuation of non-financial assets in the public sector. The research was carried out in April 2025.

The purpose of the interviews was to assess the extent to which current value-based asset valuation is practiced in Georgia and to determine whether stakeholders are prepared to adopt the Current Operational Value approach for the valuation of non-financial assets starting from 2025.

A total of 45 individuals participated in the survey, including:

- Representatives from the State Treasury's Methodological Department, who are directly involved in the implementation of standards and possess in-depth knowledge of recent changes;
- Financial managers and accountants from public sector entities, who actively apply international standards in the valuation and accounting of assets;
- Representatives from the academic sector, who teach financial accounting and public sector accounting standards.

Among the respondents, 2 were from the State Treasury, 4 from academia, and 39 were accountants and financial managers. Data was collected from representatives across various cities, including Tbilisi, Gori, Khashuri, Bolnisi, and others.

The results indicated that the majority of respondents are familiar with both historical and current approaches to asset valuation. Most agreed that this awareness has been supported by the translation and publication of IPSAS standards in Georgian, as well as training programs organized by the Ministry of Finance, which 70% of respondents reported having attended.

The study revealed that public sector entities in Georgia currently recognize assets exclusively at historical cost. This practice is largely due to the instruction titled *"On the Preparation of Financial Reporting by Budgetary Organizations Based on IPSAS"*, which does not require the application of the revaluation model.

According to Article 11 – "Non-Mandatory Paragraphs/Subparagraphs of IPSAS" – within the general provisions of the instruction issued by the Ministry of Finance of Georgia, the application of certain IPSAS requirements remains optional until January 1, 2027.

For example, in IPSAS 17 *Property, Plant, and Equipment*, paragraphs 42 and 44, which relate to subsequent measurement and the revaluation model, are classified as non-mandatory. A similar approach applies across all IPSAS provisions that refer to revaluation or fair value.

Although the majority of respondents expressed support for the use of the revaluation model in asset measurement, they also noted their inability to determine market values independently. IPSAS requires that fair value be established by an independent, certified appraiser. However, the related costs place an additional financial burden on public sector entities, which is why assets continue to be measured primarily at historical cost.

Notably, 86% of respondents (mainly accountants) are not informed about the changes in standards and the concept of Current Operational Value. The remaining 14%, consisting of State Treasury representatives and academic personnel, support the introduction of this valuation method.

It is believed that the lack of timely awareness among accountants is due to the fact that the new standards and changes related to asset valuation have not yet been reflected in the instruction issued by the Ministry of Finance of Georgia, which serves as the primary reference for accountants.

CONCLUSION

Thus, Current Operational Value reflects the real economic value of assets, ensuring the effective measurement and optimal utilization of an entity's resources. The measurement methods contained in IPSAS 46, including Current Operational Value, promote greater transparency in financial statements by providing more accurate information on the cost of services provided, the operational capacity, and the financial sustainability of the entity. These methods better capture the economic reality of an entity's financial position and performance, thereby enhancing accountability and decision-making relevance.

Benefits:

Service Potential Focus: Current Operational Value emphasizes the measurement of assets based on their ability to deliver services, making it particularly relevant to public sector organizations where service delivery, rather than profit generation, is the primary objective.

Enhanced Relevance and Transparency: By reflecting the cost to replace the current service potential of assets, COV provides more decision-useful and transparent information for resource management and public accountability.

Alignment with Public Sector Goals: COV supports the objectives of public sector financial reporting by focusing on stewardship of resources and service delivery rather than market-based exit values.

Challenges:

Definition and Estimation Uncertainty: The lack of specificity in the definition and estimation of Current Operational Value may undermine the reliability, accuracy, and functional appropriateness of general-purpose financial statements.

Complex Asset Separation: It may be difficult to distinguish assets that are used in a complex or integrated manner and, therefore, simultaneously embody both service potential and the capacity to generate economic benefits.

Valuation Complexity and Expert Reliance: Given the diversity of valuation approaches, selecting and appropriately applying the correct basis for different types of assets—especially complex assets—may necessitate the involvement of external valuation experts, leading to additional costs and administrative burdens.

Comparability Issues: The entity-specific nature of Current Operational Value may reduce comparability between similar entities, as measurements may vary depending on assumptions and operational contexts.

Recommendations:

1. Given that the public sector includes national, regional, state, and local governments, strong support from the state is essential for the full implementation of IPSAS.
2. Changes made to IPSAS should be promptly reflected in national regulatory acts.
3. Expenses related to asset revaluation should be incorporated into the budgets of public sector entities.
4. Training programs should be used to enhance IPSAS knowledge and awareness of recent developments.

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APPENDIX A: SURVEY QUESTIONNAIRE

This questionnaire is designed to gather information about the qualifications, work experience, and level of awareness among professionals involved in public sector accounting in Georgia. The questions aim to assess the understanding and application of International Public Sector Accounting Standards (IPSAS), as well as attitudes toward asset valuation practices. The data collected will be used solely for research and analysis purposes and will remain confidential.

Please answer all questions by selecting the option(s) that best reflect your experience and views.

Descriptive Statistics — Education, Academic Degree, and Work Experience

1. Work Experience in the Public Sector

Please indicate your work experience in the public sector:

☐ 1–5 years

☐ 6–10 years

☐ 11–15 years

☐ More than 15 years

2. Education and Academic Degree

Please indicate the highest level of education you have attained:

☐ Secondary education

☐ Vocational education (two-year college)

☐ Bachelor's degree

☐ Master's degree

☐ Doctoral degree

3. Job Position

Please indicate the position that best describes your role:

☐ Financial Manager

☐ Chief Accountant

☐ Practicing Accountant

☐ Academic Representative

☐ State Treasury Representative

Awareness of International Public Sector Accounting Standards (IPSAS)

4. In Georgia, public sector accounting is regulated by:

(Please select the correct answer)

☐ International Financial Reporting Standards (IFRS)

☐ International Public Sector Accounting Standards (IPSAS)

☐ National standards

5. In your opinion, the implementation of IPSAS is:

☐ Essential, as it is required by law

☐ Essential for improving the quality of financial reporting

☐ Not necessary, in my view

6. How would you assess your knowledge of IPSAS and IFRS?

☐ I am not familiar with them

☐ I have studied them thoroughly

☐ I have a moderate understanding

7. IPSAS-related training:

☐ I have attended trainings organized by the State Treasury

☐ I have not attended any, but I am interested in deepening my knowledge through training

☐ I am not interested in attending trainings unless the updates relate to my responsibilities

8. Which new standards have been issued by the IPSAS Board?

☐ IPSAS 46 — Measurement; IPSAS 45 — Property, Plant, and Equipment; IPSAS 43 — Leases

☐ IPSAS 46 — Measurement; IPSAS 45 — Property

☐ IPSAS 45 — Property, Plant, and Equipment; IPSAS 43 — Leases

☐ All of the above

☐ I don’t know

9. In your opinion, are these standards reflected in the normative document approved by the Ministry of Finance of Georgia as the accounting manual for budgetary organizations?
   ☐ Yes
   ☐ No

Information on the Valuation Methods Used

10. After the recognition of non-financial assets, which valuation model do you use?
   ☐ Cost model
   ☐ Revaluation model
11. If you use the revaluation model, on what basis do you determine current value? (Please select the appropriate answer)
   ☐ Fair value
   ☐ Replacement cost
   ☐ Value in use
12. Why do you not use the revaluation model for assets?
   ☐ According to the instruction "On Accounting and Financial Reporting by Budgetary Organizations Based on International Public Sector Accounting Standards", revaluation is not mandatory
   ☐ Revaluation costs are not affordable within the current budget

Attitudes Toward Asset Valuation

13. In your opinion, who should conduct the valuation of non-financial assets?
   ☐ Staff from the accounting department
   ☐ An outsourced company
   ☐ A certified professional
14. If the non-financial asset valuation is carried out by an outsourced company or a certified professional, will this service be funded by your organization's budget?
   ☐ Yes
   ☐ No
   ☐ I don't know
15. In your organization, for accounting purposes, are assets categorized as follows?
   ☐ Service potential assets
   ☐ Cash-generating assets
   ☐ Not categorized
16. What do you know about current operational value? This is a valuation model used in the public sector to assess:
   ☐ Service potential assets
   ☐ Cash-generating assets
   ☐ I don't know