

TOWARDS EFFICIENT PUBLIC SECTOR ASSET MANAGEMENT: INTERNATIONAL PERSPECTIVE AND FURTHER EVIDENCE ON ASSET MANAGEMENT REFORM IN CROATIA

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CIGAR workshop, Wellington, July 2016

Croatian State asset management in numbers

State asset management outcomes vs. state asset worth estimate

- Eurostat, 2011:
 - estimate of 33,6 billion EUR worth – financial GGS assets (76% GDP)
 - Croatia ranked 4th out of 30 European countries
- State Audit Office: GGS assets revenues - 0.7% GDP

State asset management outcomes vs. public debt settlement

Public sector management

New Public Management

processes of modernizing governmental management and achieving efficiency in the public sector



Financial Management



Asset Management System reforms

Accounting and financial reporting system reforms

Public spending/Debt management

Statistics reports



National reforms' program, 2015 (EC): improving state asset management

Asset management international insights



- Public authorities have to be fully accountable to the public
- The whole of government assets need and can be effectively managed
- Institutional/organisational aspects vs. Accounting and financial reporting aspects
- Developed countries have embarked in the practice of putting into use of various types of government asset items, under the supervision of professional management, with a view to ensuring quality public services and welfare to the citizens
- ‘...relating efficiency to public spending, as it is generally done, may give wrong results when, as it is often the case, public institutions use public sector assets (land, buildings, etc.) without imputing a cost for their use....’ (Tanzi and Prakash, 2000)

The scope (1)



- to provide the audience with the information on the need for sound accounting and reporting for government fixed assets in Croatia,
- to discuss how that information needs to be linked with the existing asset management regulatory framework, budgetary accounting regulatory framework, and the ongoing asset management practices,
- to show that setting a sound (centralized, comprehensive and transparent) asset register as crucial precondition for assuring transparency in consolidating, reporting on assets, is urgent.

The scope (2)

- point out that to manage the entrusted assets governments need to be able to keep a sound record of them,
- point out that most central and local authorities, or public institutions that have appeared to play the roles of either supervisors or custodians of certain assets in Croatia have performed asset management practise prioritizing financial assets, with some not even knowing what assets they own/hold, manage or use,
- provide the overview of government asset management system reform changes in progress in Croatia, both, the institutional (regulatory) changes and the asset information system improvements that is to result in a managerial oriented centralized and comprehensive governmental asset register set up.

Government asset management – prior to 2014

- the lack of reliable information and utilizing on public sector assets in place obscures determining assets' value, budgeting for asset management activities, and measuring public sector asset management outcomes,
- there is a considerable diversity in assets definition and coverage across regulatory frameworks
- assets are managed on an ad-hoc, often reactive basis and asset related data are scattered, being recorded, if recorded at all, in balance sheets, off-balance sheet and analytical records of budgetary and extra-budgetary users.

Government fixed asset management system – prior to 2014

- The State Budget General Ledger fails to incorporate the full data on all asset items (types of assets) owned by the Republic of Croatia:
- documentation on government assets has been dispersed among various records of the government institutions that use the assets and/or have been assigned by special government or parliament decrees to manage, utilize or dispose of the assets
- asset-related data are scattered, being recorded, if recorded at all, in balance sheets, off-balance sheet and analytical records of competent budget and extra-budgetary users,
- the legislation in force does not refer to local government assets but to central government assets exclusively.

Central asset register data

- **In mid-January 2014 Central asset register, though incomplete and comprising of two asset groups/types – shares/stakes and property, was made publicly available for the first time, and was published on the State Property Management Administration website**
- **Register's content was structured in accordance with the guidelines of the Government Asset Register Decree :**
 - In July 2014 (July 24th), the Register comprised of 403328 property items, divided in several categories: land and buildings (2%), agricultural land (1%), forests and woodland (76%), public water (11%), housing (7%); business premises (2,5%), property used by government bodies, residential buildings and villas,
 - In June 2016 (June 30th), the Register comprised of 1043668 property items, divided in several categories: land and buildings (2%), agricultural land (58%), forests and woodland (28%), public water (5%), housing (3%); business premises (1%), property used by government bodies, residential buildings and villas.

Consolidating asset records in central asset register and the State Treasury General Ledger

- **Final goal of government asset management reform in Croatia over the mid and long term period:**
 - government asset entrusted to be managed or used by an entity must not form an integral part of the entity's balance sheet.
 - all other interim, temporal decisions, arrangements or decrees that differ from the abovementioned one can be allowed but only as the transition period and must lead to the final goal eventually.
- Gradual implementation - the overall process of assets recording and valuating: rather complex, it needs to be conducted gradually over years.

Asset management reform: the existing asset registry model upgrade (2014 -2018)



- ❑ assets classification
- ❑ assets recognition and measurement
- ❑ assets portfolio construction
- ❑ institutionalization and professionalism in asset management, and
- ❑ cost and outcomes measurement.

Reform processes (1)



Ministry of finance:

- ❑ Guidelines regarding the manner of receiving and collecting data from entities that use the assets and the manner of recording all types of government assets of the users, in the Central register for the purpose of gathering consolidated State Balance Sheet
- ❑ Guidelines regarding asset valuation methods (i.e. recognition and measurement of the so called specific government (public sector) groups of asset)

Reform processes (2)

Ministry of construction and physical planning:

- *Act on property value assessment* (Official Gazette, No. 74/14)
- *Regulation on property value assessment methods* (Official Gazette, No. 79/14):
 - Regulation defines property value assessment methods, determines objects of the property value assessment, and necessary data for the property value assessment: revenue method; expenditure method; comparative value

Reform processes (3)

State asset management Office:

- State asset management Act amendments proposal
- Decree on State asset register set up upgrade; the expanded form and logistic table for future data entry
- Property items data model development
- IT upgrade, generating data from main/basic registries and public registries
- Strategic and action plans documents: Strategy (2013-2017); State asset management Plan for year of 2015
- National reform program 2016 (approved by the EC)

Strategy on government asset management (2013-2017)

- 
- To assure effective and transparent managing and use of state assets:
 - future generations
 - economic growth
 - national interests

The Act on the management and disposal of assets owned by the Republic of Croatia amendments



- developing guidelines on who should keep records of non-financial assets held or owned by the Republic of Croatia, and other legal entities founded by the Republic of Croatia, in the context of an option to manage and use such assets;
- developing guidelines on who should keep records of shares and stakes held or owned by the Republic of Croatia and other legal entities founded by the Republic of Croatia, in the context of an option to manage and use such assets;
- asset Register development as “a must do” (in terms of ensuring the data for the Ministry of Finance - State Treasury General Ledger).

Central asset register data – the ongoing reform processes

- Draft of the decree on data and IT upgrade of the already established and publicly announced Central register,
- The expanded form and logistic table for future data entry (physical, legal, economic – means of usage, financial data, and asset use outcomes' data)
- Asset items classification in Central register in accordance with the unified chart of accounts
- Central asset register upgrade goal - to assure the more transparent delivery of a more accurate data to the Central register; to report to the Ministry of finance
- ISUDIO (Information system for state asset management) project – gathering data out of asset users reports, Land register, Cadastre, Concession register, Agriculture land register, Cultural heritage register.
- ISUDIO – to be performed in three phases – gradually: the first phase of constructing the model for property items and the IT solution: January 2015 to December 2016; second phase of constructing the model for financial asset items and the IT support: June 2016 to July 2017.
- ISUDIO - multidisciplinary, interinstitutional project



**New data model and IT support (under
contraction): partial selected insights**

ISUDIO

The screenshot shows a web browser window with the title "Naslovna - ISUDIO". The address bar shows "https://". The browser's toolbar includes icons for Apps, Google, Metaregistar, ISUDIO, and other bookmarks. The page header features the "Središnji državni portal" logo and a navigation bar with "e-Građani" and a red "Prijava" button. The main content area displays the logo of the "REPUBLIKA HRVATSKA" and "Državni ured za upravljanje državnom imovinom", followed by a search bar. Below this is a red banner with the text "Naslovna" and "Registar državne imovine". The main content area is divided into four columns: the first column contains the text "Registar državne imovine" next to a house icon; the second column shows a photograph of people in business attire reviewing documents; the third column displays a map of Croatia; and the fourth column shows a person's hands interacting with a tablet displaying a bar chart. At the bottom, a paragraph of text explains the legal basis and purpose of the ISUDIO system.

Naslovna - ISUDIO

https://

Apps Google Google Google Metaregistar ISUDIO Google

Other bookmarks

Središnji državni portal

e-Građani

Prijava

REPUBLIKA HRVATSKA

Državni ured za upravljanje državnom imovinom

Naslovna

Registar državne imovine

Registar državne imovine

Zakon o upravljanju i raspolaganju imovinom u vlasništvu Republike Hrvatske, Narodne novine br. 94/2013, u članku 60. propisuje Registar državne imovine kao središnji registar državne imovine, a uspostavlja ga i vodi Državni ured za upravljanje državnom imovinom.

Informacijski sustav za upravljanje državnom imovinom (dalje u tekstu: ISUDIO) predstavlja višegodišnji fazni projekt podatkovne i programske nadogradnje postojećeg Registra državne imovine, javno objavljenog u siječnju 2014. godine. Razvoj ISUDIO podrazumijeva višegodišnju programsku podršku, u funkciji je redefiniranja pojma i opsega evidencije državne imovine te razvidnijeg uvida u opseg i strukturu državne imovine. Što je i jedna od prioritetnih mera u sklopu ciklusa koordinacije gospodarske i fiskalne politike unutar EU. Podatkovna i programska nadogradnja

 Središnji državni portal

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Registar drža

Registar imovine

Rad s promjenama

Uvoz

Izvoz

Registar partnera



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Registar drža

Izveštaji

 Središnji državni portal

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Registar imovine

Registar partnera

Obveznik

Obveznik

Upišite naziv obveznika

OIB obveznika dostave podataka

Upišite oib obveznika

Kratki naziv obveznika dostave podataka

Upišite kratki naziv obveznika dostave p

Samo obveznik?

Vrsta Popisa obveznika

Status

Pravno-ustrojbeni oblik

Status obveznik

Moji sajтови

0

Cerp Operater

državnom imovinom

Moji sajтови

0

Cerp Operater

Naslovna

Registar imovine

Moj pretinac

Moji podaci

E-learning

Registar državne imovine

Obveznik

Vrsta obveznika

Pojavni oblik

Poštanski broj

MBR kat. općine

Broj KT čestice

MBR ZK općine

Broj ZK čestice

1 do 5 od 5

»

10

Ispis

Izvoz u XLS

Traži

Poništi

Napredna pretraga

ID	Inventurni broj	Naziv	Adresa	KAT čestica	ZK čestica	Opis nekretnine
253				k.č. 4061/20 k.o. Vukovar;	k.č. 4061/20 k.o. VUKOVAR;	ORANICA
276	SD-1	Dvorana za tenis Ponikve	Zagreb PRIGORNICA 45	k.č. 4373/2 k.o. Gornji Stenjevec;	k.č. 2411/1 k.o. G. STENJEVEC;	Dvorana u sklopu SRC Ponikve
277	SD-1	Zemljiste MFIN Dvorana za tenis Ponikve		k.č. 4373/2 k.o. Gornji Stenjevec;	k.č. 2411/1 k.o. G. STENJEVEC;	Zemljiste u sklopu SRC Ponikve
278	SD-1	Zemljiste MFIN Dvorana za tenis Ponikve		k.č. 4373/2 k.o. Gornji Stenjevec;	k.č. 2411/1 k.o. G. STENJEVEC;	Zemljiste u sklopu SRC Ponikve
279	SD-1	Zemljiste MFIN Dvorana za tenis Ponikve		k.č. 4373/2 k.o. Gornji Stenjevec;	k.č. 2411/1 k.o. G. STENJEVEC;	Zemljiste u sklopu SRC Ponikve

Nova nekretnina

HDA, Imovina kojoj su vlasnici ustanove (osnivač RH), 300, Skladište Kerestinec , NEKRETNINA OZNAČENA ZA DEAKTIVACIJU

X

Promjena: Važeća promjena 333

Nekretnina ZK Katastar Korištenje Financijska vrijednost Procjena Dokumenti Mapa

ID financijske
vrijednosti

221

Imovina evidentirana u poslovnim knjigama
obveznika

Da - Bilančna evidencija

Detalji financijske vrijednosti 221

Računski plan 02127, Tvorničke hale, skladišta, silosi, ga

Analitika konta

Nabavna vrijednost
(kn)

95.000.000,00

Akumuliran ispravak
vrijednosti (kn)

2.000.000,00

Sadašnja vrijednost
(kn)

93.000.000,00

Datum stanja

30.12.2015.

Godina bilance

Način stjecanja

Ugovor

Datum stjecanja

01.01.1991.

Datum stavljanja u
uporabu

01.01.1991.

Vrsta postupka
procjene

Interna procjena - Evidencijska (aproksima

Izmijeni

Promjena: Važeća promjena 333

Nekretnina ZK Katastar Korištenje Financijska vrijednost Procjena Dokumenti Mapa

ID nekretnine 300

Status nekretnine Aktivan

Obveznik HRVATSKI DRŽAVNI ARHIV, RKP, broj obveznika: 764, PKDP (proračunski korisnik državnog proračuna), ustanova osnivač RH

Promijeni obveznika

Pojavni oblik

Imo

Korisna f

Naziv imovine

Skla

Opis imovine

Pos

Inventurni br

Osnov stjecar

Pravni osnov - napomena

Ugc

Upravitelj

HRV

OIB i vrst

Adresa

Ker

Adrese nekretr

Nekretnine neprocijenjene
Nekretnine pod zaštitom UNESCO-a - kulturna dobra
Nekretnine u postupku naknade za oduzetu imovinu
Neperspektivna vojna imovina
Novac
Oduzeta imovina - kazne
Ostali pojavni oblici imovine u vlasništvu RH
Patenti ustupljeni RH i licencije
Pokloni državicima
Poljoprivredno zemljište
Poslovni prostori u vlasništvu RH
Potraživanja RH od drugih
Prihodi od naknada za korištenje DI
Rezidencijalne nekretnine
Riblji fond i divljač
Robne rezerve RH
Rudna blaga
Sportski objekti
Stanovi u vlasništvu RH
Šume, šumska zemljišta i dr

an status

alni objekt

jela

pravne osnove

kulturno dobro
pomorsko dobro
arheološko nalazište
spomenička baština
sportsko-rekreacijski sadržaj
objekti sigurnosti plovidbe
šume
poljoprivredno zemljište
javno vodno dobro
javno dobro ceste
zaštićeni krajobraz

Izmijeni

Poštanski broj	Naselje	Ulica	Kućni broj	Status
10431	Kerestinec	KERESTINEČKA CESTA	59	Aktivan

Dodaj adresu Izmijeni adresu Obriši adresu

Detalji korištenja 185

ID korištenja	<input type="text" value="185"/>	Funkcionalnost imovine	<input type="text" value="U funkciji"/>
Rok/vrijeme korištenja	<input type="text" value="Neodređeno"/>	Ocjena fizičkog stanja imovine	<input type="text" value="Zadovoljavajuće"/> <input type="text" value="Nekretninu je uz manja ulaganja"/>
Datum početka korištenja	<input type="text"/>	Datum završetka korištenja	<input type="text"/>
Napomena	<input type="text" value="Dvorac"/>		

Korisnik imovine

ID	Status	Naziv korisnika	OIB	
55	Aktivan	HRVATSKI DRŽAVNI ARHIV	46144176176	1

Dodaj korisnika

Obriši korisnika

Concluding statement



Croatian state asset register, as of 2016 is no longer regarded as a simple spreadsheet or database of assets, but is rather seen as a part of a more complex scenario, where asset register presents a system that directly supports consolidating asset records of central government entities and other state institutions, and of the state owned companies, and evaluating if government assets have been employed most productively, rather than being managed on an ad-hoc, often reactive basis.



Thank you for your attention! 😊
Your comments, insights, suggestions are
welcome.....