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நிதி, பொருளாதாரம் மற்றும் கொள்கை அபிவிருத்தி அமைச்சு
MINISTRY OF FINANCE, ECONOMY AND POLICY DEVELOPMENT

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திகதி } 30.04.2024
Date }

Assets Management Circular No. 02/2024

To All: Secretaries of Ministries
Chief Secretaries of Provincial Councils
Heads of Departments
Chairperson of the University Grants Commission and Vice Chancellors of the Universities
Heads of Public Corporations and Statutory Boards
Chairpersons of State Banks and Government Owned Companies

Non-Financial Assets Management of the Government – Valuation of Vehicles

Instructions required for the valuation of Non-Financial Assets of the Government have been issued in the Assets Management Circulars No. 04/2018, 02/2019 and 05/2021. The respective provisions on valuation of vehicles given in these circulars are appropriately amended and incorporated as follows. Accordingly, all the Heads of the Public Sector Institutions are required to follow the instructions given below and record the vehicle valuation details to the Non-Financial Assets Management System (NFAMS) implemented by issuing the Assets Management Circular No. 06/2023:

- 1.1 If action has already been taken to value vehicles as per the above mentioned circular instructions, such valuation details can be recorded to the NFAMS.
- 1.2 For assessing the value of vehicles with effect from 15th May 2024, procedure given below should be applied:

A. Government Agencies (except Sri Lankan Missions abroad) and Provincial Councils & Local Governments:

1.2.1 Vehicles procured under the outright purchase method:

1.2.1.1 During the period within the first five years from the date of purchase:

For such general purpose vehicles (cars, vans, cabs, buses and motor cycles etc.) or special purpose vehicles (trains, ships, military vehicles, aero planes etc.), the total of the purchase cost and the other relevant costs incurred to bring the vehicle in to the running condition should be taken as the assessed value.

1.2.1.2 During the period after the first five years from the date of purchase:

- a) Assessing the value of such general purpose vehicles should be done by a committee which is comprised of not less than three members including an Executive Officer and an Examiner from the Department of Motor Traffic, who are appointed by the Head of the Institution.
- b) Assessing the value of special purpose vehicles should be done by a committee which is comprised of not less than three members including an Executive Officer and an Officer with a special knowledge in relevant to the assessment of these vehicles, who are appointed by the Head of the Institution.

1.2.2 Vehicles procured under the financial leasing method:

As these vehicles are owned by the Government, valuation of these vehicles is required:

- a) For assessing the value of such general purpose vehicles or special purpose vehicles, during the period within the first five years from the date of purchase, the agreed total financial lease value should be taken as the assessed value.
- b) For assessing the value of such general purpose vehicles or special purpose vehicles during the period after the first five years from the date of purchase, criteria given in section 1.2.1.2 above should be applied.

1.2.3 Vehicles procured under the operational leasing method / rent basis:

As these vehicles are not owned by the Government, valuation of these vehicles is not required.

B. Sri Lankan Missions abroad

1.2.4 Vehicles procured under the outright purchased method:

1.2.4.1 During the period within the first ten years from the date of purchase:

For assessing the value of such general purpose vehicles or special purpose vehicles, the total of the purchase cost and other relevant cost incurred to bring the vehicle in to the running condition should be taken as the assessed value in terms of Sri Lankan Rupees by converting at the respective currency exchange rate prevailed at the date of purchase.

1.2.4.2 During the period after the first ten years from the date of purchase:

If there are such general purpose vehicles or special purpose vehicles, as per the information recorded in NFAMS, Comptroller General's Office will make suitable references when reporting the valuation of such vehicles.

1.2.5 Vehicles procured under the financial leasing method:

As these vehicles are owned by the Government, valuation of these vehicles is required:

- a) Assessing the value of such general purpose vehicles or special purpose vehicles, during the period within the first ten years from the date of purchase, the agreed total financial lease value should be taken as the assessed value in terms of Sri Lankan Rupees by converting at the respective currency exchange rate prevailed at the date of purchase.
- b) Assessing the value of such general purpose vehicles or special purpose vehicles, during the period after the first ten years from the date of purchase, criteria given in section 1.2.4.2 above will be applied.

1.2.6 Vehicles procured under the operational leasing method / rent basis:

As these vehicles are not owned by the Government, valuation of these vehicles is not required.

C. Public Enterprises

1.2.7 For assessing the value of general purpose vehicles or special purpose vehicles, criteria given in section 1.2.1, 1.2.2 and 1.2.3 above or relevant provisions in the Sri Lanka Accounting Standards followed by the respective institutions could be applied, appropriately.

1.3 Vehicle valuation should be updated in every five years, following the above mentioned criteria. For that purpose, value as at 31st December of the relevant year should be assessed. However, if there is any incident that causes a significant (at least 25% of the immediate previous valuation of the vehicle) change in the value of a vehicle, value of that vehicle as at 31st December of that particular year should be assessed. In such cases, for practical reasons, revaluation can be done as at 31st December of the year which completes five years from the new valuation or as at 31st December of the year which completes five years from the immediate previous valuation.

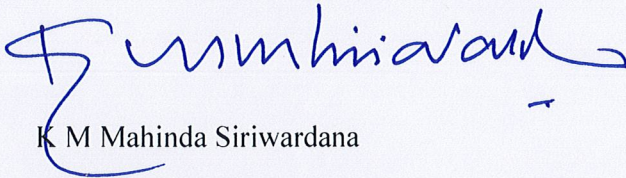
02. As the valuation of the Non-Financial Assets of the Government is an obligatory function, only the following payments can be made:

2.1 To the Examiner participated from the Department of Motor Traffic, for the committee referred to in the paragraph 1.2.1.2 (a):

- a) if the number of vehicles to be valued in a particular year of an institution is ten or less than that, valuation of such all vehicles should be done by a one committee and an allowance of Rs. 1,000 after the issuing the final report of that committee.

- b) if the number of vehicles to be valued in a particular year of an institution is more than ten, an allowance of Rs. 100 each for a vehicle to be paid after giving the final reports of the respective committees appointed.

2.2 To the officer with special knowledge required for the committee referred to in paragraph 1.2.1.2 (b), an appropriate allowance as approved by the Head of the institution.



K M Mahinda Siriwardana

Secretary to the Treasury

Copies:

1. Secretary to the President
2. Secretary to the Prime Minister
3. Secretary to the Cabinet of Ministers
4. Director General, Department of Public Finance
5. Director General, Department of State Accounts
6. Commissioner General of Motor Traffic
7. Auditor General