



FOREIGN EXPERIENCE IN ACCOUNTING AND CONTROL OF FIXED ASSETS IN THE PUBLIC SECTOR

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Annotation

This article examines the issues of accounting and some features of controlling fixed assets in the sectors of government. It also discusses international financial accounting standards and gives samples of foreign experience.

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When we study the experience of economically developed foreign countries in the accounting and control of fixed assets in the public sector, we usually see that they either introduce national standards as close as possible to international standards or apply the rules of international financial accounting standards in the public sector.

Improving the system of accounting and reporting for budget organizations on the basis of international financial reporting standards for the budget sector is one of the directions of reforming the budget system of Uzbekistan.

The need for this reform is manifested, first of all, in the fact that accounting systems reflect the information needed to make quality and modern management decisions. Internationally accepted system of harmonization of accounting standards - International Financial Reporting Standards for the Budget Sector based on the International Financial Reporting Standards (IFRS) as a single, comprehensive system of international standards for the preparation of comparable and quality financial statements of budget organizations. 'is recognized. The application of international financial reporting standards to the budget sector will improve the quality and transparency of financial information by providing more opportunities to evaluate the performance of the public sector. Improving the reliability and completeness of information will improve the management of state assets, as



well as the ability to compare the financial statements of the state with international indicators.

International Financial Accounting Standard No. 16, which is widely used in international practice, is called "Fixed assets" and its purpose is to provide a way for users of financial statements to understand their investments in fixed assets and changes in such investments. is to determine.

In world practice, there is an international standard of budget accounting in relation to the above standard, which is called the International Accounting Standard (IPSAS 17) - "Property, plant and equipment."

The provisions of this International Standard do not apply in the following cases:

1. For the account of fixed assets owned by the private sector;
2. For fixed assets that are primarily classified as held for sale;
3. For biological assets related to agricultural activities;

According to the requirements of this international standard, the cost of an item of property, plant and equipment in a budgetary entity is recognized as an asset only if the following conditions are met:

- there is a possibility of future economic benefits associated with the fixed asset by the business entity;
- the cost of the asset can be measured reliably.

When items such as spare parts, ancillary and repair equipment meet the definition of fixed assets, these public organizations are recognized in accordance with International Accounting Standards. Otherwise, such items are classified as inventories.

Property, plant and equipment may be purchased for security or environmental purposes. While the acquisition of such property, plant and equipment does not directly increase future economic benefits from an existing item of property, plant and equipment, it may be necessary for a budgetary entity to receive future economic benefits from other assets. The objects of such fixed assets are recognized as assets because the future economic benefits accruing to them by the budgetary entity from the assets associated with them are greater than the benefits received in the absence of the acquisition of such assets. For example, a chemical manufacturing organization may engage in new chemical processing technologies to comply with environmental requirements for the production and storage of hazardous chemicals. In this case, the relevant new technologies



are recognized as assets, because without them, the budget organization engaged in commercial activities can not produce and sell chemical products.

According to this international standard and the rules required by international practice, the cost of an item of property, plant and equipment consists of:

- its purchase price, including import duties and non-refundable taxes related to purchases, less sales discounts and preferences;
- direct costs associated with bringing the asset to the place and condition required for its use by the management of the budget organization.
- the initial cost of dismantling and removal of the fixed asset and the restoration of natural resources at its location. The budgetary entity assumes the liability for these costs at the time of purchase of the fixed asset or for a certain period of time as a result of its use for non-production purposes.

The following are examples of direct costs:

- Costs of employees directly incurred as a result of the construction (acquisition) of fixed assets;
- site preparation costs;
- initial costs associated with delivery and loading and unloading;
- installation and assembly costs;
- the difference between the cost of testing the asset and the net proceeds from the sale of the product (such as equipment testing) when the asset is in place and in good condition;
- Fees for qualified services.

Examples of costs that are not included in property, plant and equipment in accordance with this International Standard and the rules required by international practice include:

- costs of establishing a new production facility;
- costs associated with the introduction of a new product or service (including the cost of advertising and marketing activities);
- costs associated with the adaptation of the business to a new location or a new category of customers (including the cost of retraining);
- administrative and other overhead costs.

Some operations are related to the construction or erection of a fixed assets facility, but it is not necessary to bring the facility to the location and condition required for its use by the management of the budget organization. These ancillary operations may occur during or prior to construction or erection. For



example, the construction site could be used as a parking lot before construction begins. Since ancillary operations are not necessary to bring the facility to the location and condition required for its intended use by management, income and expenses related to ancillary operations are recognized in profit or loss and included in the appropriate groups of income or expense.

The cost of an item of property, plant and equipment is its cash equivalent at the date of recognition. If the payment is deferred for them under the terms of a normal commercial loan, the difference between the cash equivalent of the asset and the total payment is recognized as interest expense over the life of the loan.

Once recognized as an asset, an item of property, plant and equipment is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Once recognized as an asset, an item of property, plant and equipment whose fair value can be measured reliably should be measured at revalued amount. In this case, its revalued value is the amount of depreciation accumulated from its fair value at the date of revaluation and its subsequent accumulated impairment losses. Revaluations should be made regularly enough that the carrying amount of the asset does not differ significantly from its fair value at the end of the reporting period.

CONCLUSIONS:

One of the main conditions for the organization of the activities of budget organizations in the context of modernization of the economy is the effective organization of accounting and analysis of fixed assets. Only if the accounting and control of fixed assets is satisfactorily organized, it will be possible to obtain detailed and reliable information on the financial and economic activities of budget organizations, and on this basis to accurately determine the future prospects of the budget organization.

Theoretical and practical study of the organization of accounting and control of fixed assets in the public sector, as a result of which the development of appropriate conclusions and recommendations is relevant.

To this end, based on the results of the study of the current state of accounting and control of fixed assets in the public sector of the country, revealing the



essence, necessity and importance of accounting and control of fixed assets in the public sector, its current organizational and legal framework in the Republic of Uzbekistan it is necessary to give and show ways to improve them. In terms of use, fixed assets are divided into moving, reserve and unused facilities.

In terms of affiliation with a particular business entity, fixed assets are divided into facilities owned and leased by the budget organization.

In accounting, in particular, budget organizations are divided into groups by certain classification indicators in order to simplify the accounting of fixed assets.

Improving the system of accounting and reporting for budget organizations on the basis of international financial reporting standards for the budget sector is one of the directions of reforming the budget system of Uzbekistan.

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