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Article

Non-Financial Asset Accounting as an Information Source for Material-Technical Supply in State Medical Organizations

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Abstract: Public medical organizations in Uzbekistan hold the largest part of their resources in non-financial assets (NFA), yet the accounting system that records these assets is still treated mainly as a reporting obligation rather than as the information base for material-technical supply (MTS). This paper examines whether NFA accounting, as currently organized, produces information capable of supporting the planning, storage and use of material and technical resources. Drawing on the 2020-2025 financial statements, memorial-order registers and primary documentation of the Republican Specialized Scientific-Practical Medical Centre of Mental Health (Tashkent), the study applies horizontal, vertical, coefficient and variation analysis to 10.4 billion soums of NFA inflows. The results reveal extreme instability of inflows (coefficient of variation 44.3 per cent in aggregate and 95.0 per cent for fixed assets), a budget-financed share that fluctuates between 40.2 and 87.7 per cent, and a wear ratio of buildings rising from about 70 to 87 per cent. The accounting system records these movements accurately but does not carry the financing source into the synthetic account, so the data cannot be re-used for procurement planning. The paper proposes source-differentiated working sub-accounts, an extended stock-norm parameter, mandatory FIFO for paid-service inventories and a proportional partial-liquidation mechanism.

Keywords: non-financial assets; budget organizations; public sector accounting; IPSAS; material-technical supply; healthcare financing; analytical accounting; Uzbekistan

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1. Introduction

Public sector financial reporting has been moving steadily towards the accrual basis. The 2025 edition of the International Public Sector Financial Accountability Index reports continued, if gradual, migration from cash to accrual reporting and projects that by 2030 a clear majority of jurisdictions will report on an accrual basis [1]. The practical significance of that shift for a hospital or a research-and-treatment centre is not the reporting format itself but what the format makes visible: buildings, medical equipment, transport, pharmaceuticals, reagents, soft inventory and household supplies cease to be an expenditure event and become a measurable stock of resources. In the classification of the *Government Finance Statistics Manual* these resources form the category of non-financial assets [2], and their recognition, measurement, depreciation and impairment are governed internationally by IPSAS 12 *Inventories*, IPSAS 17 *Property, Plant, and Equipment* and IPSAS 21 *Impairment of Non-Cash-Generating Assets* [3], with IPSAS 45, issued in 2023, superseding IPSAS 17 for periods beginning on or after 1 January 2025 [4].

For health care the question is far from academic. Comparative governance data show that asset management in the public sector is increasingly evaluated by its contribution to service delivery rather than by custody compliance alone [5]. Sector reviews by the major professional firms point in the same direction: providers operate under constrained budgets, ageing capital stock and supply-cost pressure, and identify operational efficiency and productivity as their leading priorities [6]; the pressure on capital allocation and on the cost of supplies is expected to persist [7], [8]. In such an environment the marginal value of an additional information system is low, while the marginal value of better use of an existing one is high.

In the Republic of Uzbekistan the accounting of budget organizations is regulated by the Law on Accounting and by the Instruction on Accounting in Budget Organizations, which prescribes the memorial-order form of bookkeeping, the chart of accounts of the 200000 group for non-financial assets and a complete set of primary documents for their movement.

The Law on Accounting [9] and the Instruction on Accounting in Budget Organizations [10] require organizations to keep accounts of budget and off-budget resources. For a state medical organization this dual circuit is not a formality: budget appropriations and the proceeds of paid medical services, accumulated in the fund for material incentives and development of medical institutions, finance the same assets, are subject to different planning procedures and generate different accountability expectations. Yet at the level of the synthetic accounts 221 220 *Machinery and equipment* and 231 220 *Depreciation of machinery and equipment* the two sources merge into a single figure.

This produces the problem addressed here. Material-technical supply in a medical organization is planned by the supply and economic departments on the basis of physical norms, requests from clinical units and the previous year's expenditure, while the accounting register is consulted afterwards, for reporting and for reconciliation with the annual inventory count. The two circuits run in parallel. The accounting system, which alone holds simultaneously the physical, value, custody and financing-source attributes of every object, is therefore under-used as a source of management information.

The research question of this paper is accordingly formulated as follows: does the accounting of non-financial assets, as it is organized today in a state medical organization, generate information sufficient for the planning, storage and use of material and technical resources, and if not, what modification of the analytical architecture would make it sufficient? The objective is to diagnose the informational capacity of the existing model on the evidence of a single large state medical organization over six years, and to propose accounting solutions that convert the register into a supply-planning instrument.

The contribution is threefold. First, the paper reframes non-financial asset accounting as an information source for the supply cycle rather than as a reporting obligation, and formalizes this in a three-function scheme of planning, storage and use. Second, it quantifies the informational gap using six years of actual data from an operating medical centre, including measures of inflow volatility that have not previously been reported for budget organizations in Uzbekistan. Third, it advances a set of implementable accounting proposals whose expected informational effect is stated explicitly.

The dominant strand of the international literature examines the adoption of accrual accounting and of IPSAS. Polzer, Grossi and Reichard, analysing European jurisdictions, demonstrate that even voluntary adopters deviate substantially from the standards, choosing between unaltered adoption, partial adoption, adaptation and non-adoption, so that formal convergence conceals considerable practical variation [11]. Schmidthuber, Hilgers and Hofmann, in a systematic review of the IPSAS literature, show that research effort has concentrated on the determinants of adoption and on reporting quality, while the managerial use of the resulting information has attracted markedly less attention [12]. Earlier comparative work reached a similar conclusion about the gap between reform

intent and reporting practice [13]. The implication for the present study is that compliance with a standard does not by itself determine whether the accounting output is usable; the depth of analytical decomposition does.

A second, largely separate strand addresses the physical management of hospital resources. Simulation evidence from Thai public hospitals shows that vendor-managed inventory can raise turnover and cut holding costs relative to traditional bulk procurement [14]; a study of surgical supplies in a large specialized public hospital documents how procurement and stock-control practice can be restructured around item criticality [15]; and segmentation techniques of the ABC and VED type are used to compress buffer stock in tertiary facilities without compromising availability [16]. Closest to the present subject is the analysis of medicine inventory accounting in an Indonesian regional public hospital against the national public sector inventory standard, which finds compliance in recognition but limited managerial exploitation of the resulting data [17].

These two strands rarely meet. The accounting-harmonization literature treats non-financial asset data as an output to be assessed for quality and comparability; the logistics literature builds parallel data structures and treats the accounting register as irrelevant to operational decisions. Neither addresses the situation typical of a dual-financed public hospital in a transition economy, where one and the same asset may be acquired from budget appropriations in one year and from paid-service revenue in the next, and where the choice of source carries consequences for planning, for permissible disposal and for accountability.

The position taken in this paper is that the informational capacity of non-financial asset accounting is determined less by the standard applied than by the depth of analytical decomposition, and above all by whether the financing source is carried into the synthetic account rather than left in supporting documentation. Where it is not, the register can answer the question of how much the organization owns but not the question of what it may plan, and the supply function is compelled to reconstruct from primary documents information that the accounting system already possesses.

2. Materials and Methods

The object of the study is the Republican Specialized Scientific-Practical Medical Centre of Mental Health of the Ministry of Health of the Republic of Uzbekistan, Tashkent. The Centre was selected because it combines the two features that define the research problem: it is a large state medical organization with a substantial and heterogeneous stock of non-financial assets, and it is financed simultaneously from budget appropriations and from the proceeds of paid medical services. The observation period covers the six financial years from 2020 to 2025 inclusive. The empirical base consists of the annual financial statements of the Centre prepared on the forms established for budget organizations [18], [19], the memorial-order registers of the movement of fixed assets and inventories (orders 6, 8 and 13), the inventory cards of form AV-6, the write-off acts of form AV-4, the waybill-requisitions of form 434 and the consolidated statements of form 438, together with the accounting policy of the Centre [20].

Four groups of methods were applied. Horizontal and structural analysis was used to trace the dynamics and composition of asset inflows by recognition channel and by financing source. Coefficient analysis was used to compute the wear ratio of each group of fixed assets, defined as accumulated depreciation divided by initial value and expressed as a percentage. Variation analysis was used to measure the stability of the supply flow: the coefficient of variation was computed as the ratio of the standard deviation of annual inflows to their arithmetic mean, expressed as a percentage, and interpreted according to the conventional thresholds by which values above thirty-three per cent indicate a non-homogeneous series. Comparative-legal analysis and document-flow mapping were used

to establish which attributes of an asset are captured at which stage of the documentary chain, and where those attributes are lost on the way to the synthetic account.

Three limitations should be stated. The study is a single-organization case study, so its quantitative results characterize the Centre rather than the sector, although the accounting architecture examined is common to all budget organizations of the health system. Values are expressed in nominal thousand soums and are not adjusted for inflation, which means that the growth rates reported below overstate the real expansion of the asset base. Finally, the wear ratios of the group of other fixed assets are derived from the aggregated depreciation registers rather than from object-level cards.

3. Results

4.1. Recognition channels of fixed assets

Over the six years under review the Centre recognized fixed assets amounting to 3,725,719 thousand soums. The channels through which these assets entered the accounts, and the financing sources behind them, are presented in Table 1.

Table 1. Recognition channels and financing sources of fixed assets of the Centre, 2020-2025 (thousand soums)

Recognition channel / financing source	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Total 2020-2025**	**%**
Acquisition (purchase)	107,349	96,752	283,881	421,851	123,924	148,260	1,182,016	31.7
Gratuitous (centralized) receipt	27,960	–	–	–	–	1,744,771	1,772,731	47.6
Revaluation	136,314	150,409	115,074	198,629	154,423	16,122	770,972	20.7
Total inflow	**271,623**	**247,161**	**398,955**	**620,480**	**278,347**	**1,909,153**	**3,725,719**	**100.0**
including: budget appropriations	116,445	110,348	221,288	469,785	100,411	1,759,949	2,778,226	74.6
including: off-budget resources	155,178	136,813	177,668	150,695	177,937	149,204	947,493	25.4

Three findings follow from Table 1. First, purchase, which is the only channel that the organization itself plans and controls, accounts for less than a third of the six-year inflow. Second, gratuitous receipt, which the organization does not plan at all, accounts for almost half of it, and virtually the whole of that amount falls in a single year: in 2025 medical equipment worth 1,744,771 thousand soums was transferred to the Centre centrally by the Ministry of Health. Third, revaluation, an accounting rather than an economic event, contributes a fifth of the recorded inflow and in 2021 exceeded purchase. The share of each channel in the annual inflow is shown in Figure 1.

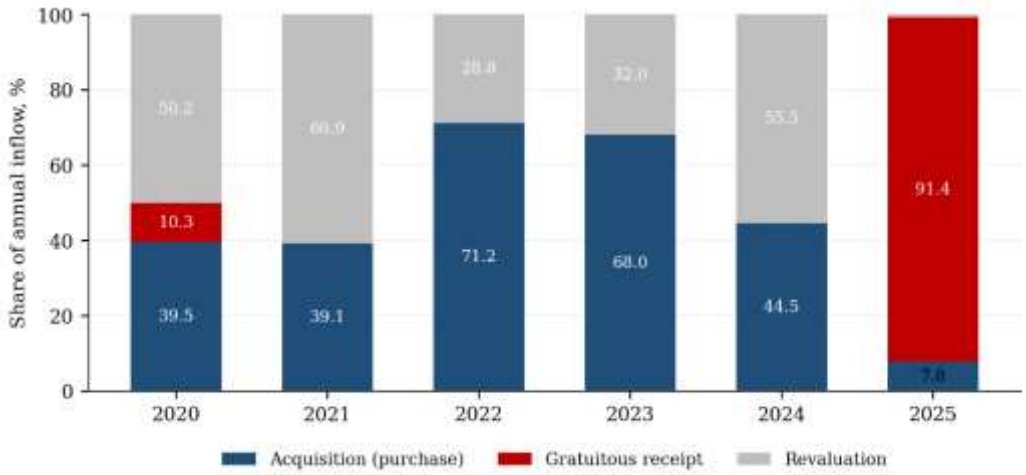


Figure 1. Structure of fixed asset recognition channels of the Centre, 2020-2025 (per cent)

Source: calculated and constructed by the author on the basis of Table 1.

Figure 1 makes the instability explicit. Purchase dominates only in 2022 and 2023, when it reaches 71.2 and 68.0 per cent respectively; in 2021 and 2024 revaluation is the leading channel, at 60.9 and 55.5 per cent; and in 2025 gratuitous receipt reaches 91.4 per cent and reduces purchase to 7.8 per cent of the annual inflow. A supply plan constructed from the previous year's recorded inflow would therefore have been misleading in every year of the period. The accounting system registers each of these events correctly, but because the recognition channel is visible only in the primary document and not in the analytical account, the register itself does not distinguish a planned acquisition from an unplanned transfer or from a purely valuation adjustment.

4.2. Recognition of inventories

Inventories behave differently. Over the same six years the Centre recognized inventories of 6,674,770 thousand soums, that is 1.8 times the value of fixed asset inflows, and the composition of the channels is far more concentrated (Table 2).

Table 2. Recognition channels and financing sources of inventories of the Centre, 2020-2025 (thousand soums)

Recognition channel / financing source	2020	2021	2022	2023	2024	2025	Total 2020-2025	%
Acquisition (purchase)	1,047,912	1,023,846	1,792,756	820,191	569,577	1,105,717	6,359,998	95.3
Gratuitous receipt and sponsorship	32,343	54,731	5,127	7,650	18,480	192,445	310,775	4.6
Surplus identified on stocktaking	–	–	–	–	–	3,996	3,996	0.1
Total inflow	**1,080,254**	**1,078,577**	**1,797,883**	**827,841**	**588,057**	**1,302,158**	**6,674,770**	**100.0**
including: budget appropriations	639,574	422,349	1,417,081	800,022	529,120	919,405	4,727,551	70.8
including: off-budget resources	440,680	656,228	380,803	27,819	58,936	382,753	1,947,219	29.2

Source: compiled and calculated by the author on the basis of the annual financial statements and memorial-order registers of the Centre for 2020-2025.

Purchase accounts for 95.3 per cent of inventory inflows, which confirms that this is the segment of the asset base over which the organization has genuine planning discretion. Two features nevertheless complicate that discretion. The first is the volatility of the annual volume: inflows fall from 1,797,883 thousand soums in 2022 to 588,057 thousand soums in 2024 and rise again to 1,302,158 thousand soums in 2025, a pattern that a norm-based plan cannot explain. The second is the mixed financing: budget appropriations provide 70.8 per cent of the six-year total, but the annual share ranges from 39.2 per cent in 2021 to 96.6 per cent in 2023. In 2025 the gratuitous component reaches 14.8 per cent of the annual inflow, of which 22,966 thousand soums, or 11.9 per cent, arrived centrally from the Ministry of Health and 169,479 thousand soums, or 88.1 per cent, came as sponsorship recorded against off-budget resources. The two components require different treatment in the plan of the following year, yet they are aggregated in the same synthetic account.

4.3. Financing structure and the stability of the supply flow

Taken together, fixed assets and inventories give a six-year non-financial asset inflow of 10,400,489 thousand soums, of which 7,505,777 thousand soums, or 72.2 per cent, was financed from budget appropriations and 2,894,712 thousand soums, or 27.8 per cent, from off-budget resources. The aggregate figure conceals a wide annual dispersion, shown in Figure 2.

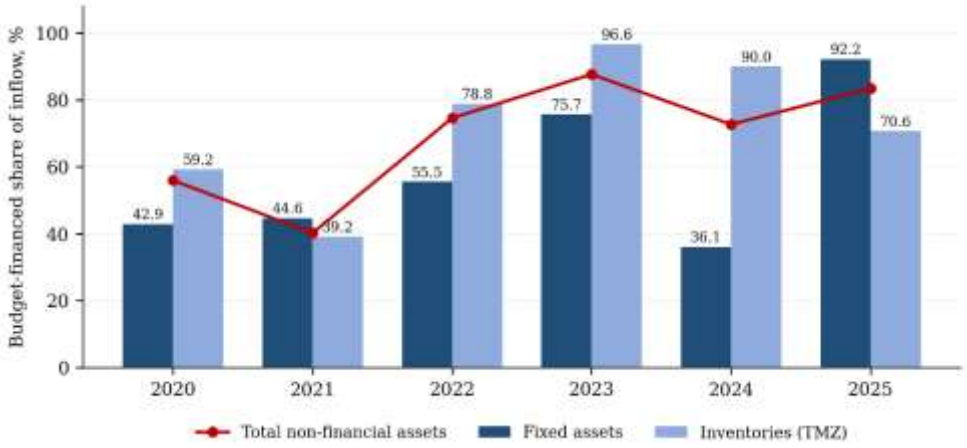


Figure 2. Budget-financed share of non-financial asset inflows of the Centre, 2020-2025 (per cent)

Source: calculated and constructed by the author on the basis of Tables 1 and 2.

The budget-financed share of the total non-financial asset inflow moves between 40.2 per cent in 2021 and 87.7 per cent in 2023, a swing of 47.5 percentage points in two years. For fixed assets alone the range is wider still, from 36.1 per cent in 2024 to 92.2 per cent in 2025. Such movement is not a statistical artefact; it reflects the alternation of centralized equipment programmes financed from the budget with periods in which the Centre replaces equipment from the proceeds of paid services. A planning system that cannot separate the two will systematically misestimate the resources it can actually commit.

The instability of the flow can be quantified. Measured by the coefficient of variation, the annual inflow of fixed assets varies by 95.0 per cent around its mean, the inflow of inventories by 34.1 per cent, and the aggregate non-financial asset inflow by 44.3 per cent. All three exceed the conventional threshold of thirty-three per cent above which a series is treated as non-homogeneous, so none of the three can legitimately be extrapolated by simple averaging. This is the central quantitative result of the study: the supply flow of the Centre is not merely variable but statistically non-homogeneous, and a planning procedure built on the previous year's expenditure is therefore structurally unreliable.

4.4. Physical condition of the fixed asset base

The second informational function of non-financial asset accounting concerns the condition of the assets in use. Wear ratios computed from the depreciation registers are presented in Figure 3.

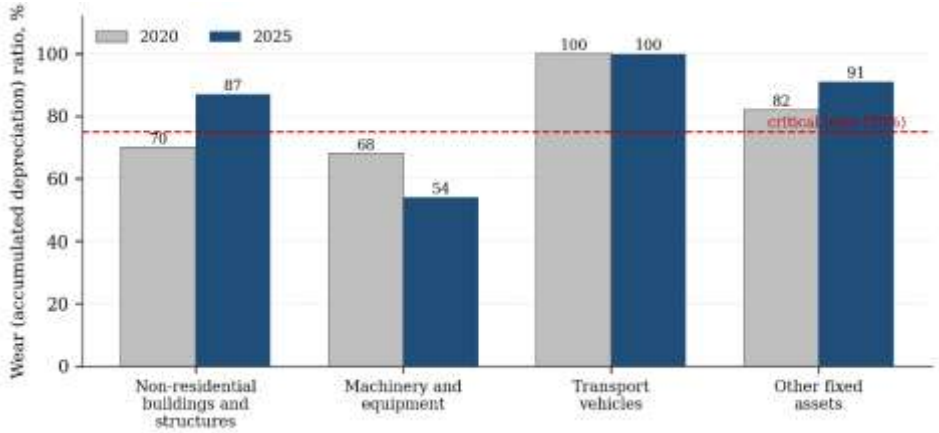


Figure 3. Wear ratio of fixed assets of the Centre by group, 2020 and 2025 (per cent)

Source: calculated and constructed by the author on the basis of the depreciation registers of the Centre. The wear ratio is the ratio of accumulated depreciation to initial value

Three patterns emerge. Non-residential buildings and structures deteriorate steadily, from about 70 per cent in 2020 to about 87 per cent at the end of 2025, which places them well above the level at which capital repair or reconstruction is normally required. Transport vehicles are fully depreciated throughout the period yet remain in service, so that their carrying amount conveys no information whatever about their remaining service potential. Machinery and equipment, by contrast, improve, falling from about 68 to about 54 per cent, and the reason is precisely the centralized transfer of 1,744,771 thousand soums of medical equipment in 2025 recorded in Table 1. The improvement is therefore not the result of a replacement policy of the Centre but of an external decision, which reinforces the earlier finding about the limits of local planning discretion.

The important point for the argument of this paper is that all three patterns are already present in the accounting registers. The wear ratio is computable from data that the Centre records monthly. What is absent is any procedure that converts this computation into an input for the capital repair schedule or for the equipment replacement request, and any decomposition that would show whether a worn object was originally financed from budget or from off-budget resources, which determines the procedure by which it may be replaced.

4.5. Diagnosis of the informational gap

The results of the three preceding subsections can be summarized as a mapping between what each function of material-technical supply requires, what the register currently supplies and what is missing. This mapping is set out in Table 3.

Table 3. Informational capacity of non-financial asset accounting in relation to the functions of material-technical supply

Function	Information required	Information currently produced	Informational deficiency
Planning	Demand by expenditure article, separately for budget and off-budget resources; replacement and capital repair schedule based on remaining service potential	Aggregate value of inflows and closing balances by asset group; annual depreciation charge	Financing source is not carried into the synthetic account; recognition channel is not distinguished; wear ratios are not linked to the repair schedule
Storage	Permissible year-end stock by item group; age structure of stock; custody by responsible person and location	Quantitative and value balances by responsible person; annual stocktaking results	Stock-norm parameter for household and stationery goods is set at 15 days and is not differentiated by source; issue sequence for paid-service inventories is not fixed
Use	Actual consumption against norm; service potential of objects in operation; effect of partial liquidation on carrying amount	Write-off acts and consumption totals by unit	Fully depreciated assets remain in service without a service-potential indicator; partial liquidation is recorded without a proportional reduction of accumulated depreciation
Control and reporting	Reconciliation of value, physical and custody data by financing source	Balance sheet aggregates for the group of non-financial assets	Source-based reconciliation is possible only by manual reconstruction from primary documents

Source: compiled by the author on the basis of the document-flow mapping of the Centre and the requirements of the Instruction on Accounting in Budget Organizations.

4. Discussion

The evidence assembled above supports a single conclusion: the non-financial asset accounting of the Centre is accurate as a record and deficient as an information source. Every transaction analysed in Tables 1 and 2 is properly documented and properly posted; the deficiency lies in the loss of attributes between the primary document and the synthetic account. The recognition channel is recorded in the act of acceptance but disappears in the account; the financing source is recorded in the payment documents but disappears in account 221 220; the physical condition is computable but is not connected to any decision. This is precisely the disjunction that the systematic review of the IPSAS literature identifies as under-researched, namely the gap between the technical quality of public sector accounting information and its managerial exploitation.

The finding also qualifies the conclusion of the harmonization literature that divergence from international standards is the principal obstacle to useful public sector reporting. In the case examined here the obstacle is of a different order. The Centre applies the national instruction consistently, and adoption of an international standard in place of

it would not, by itself, produce a single additional item of information for the supply department, because none of the standards prescribes the analytical decomposition by financing source that the dual-financing model requires. The remedy therefore belongs to the accounting policy of the organization rather than to the standard.

5.1. Proposed accounting solutions

Four proposals follow directly from the diagnosis in Table 3, together with a fifth concerning measurement. They are set out in Table 4 with their mechanism and their expected informational effect.

Table 4. Proposed modifications of non-financial asset accounting and their expected informational effect

Proposal	Accounting mechanism	Expected informational effect
Source-differentiated working sub-accounts	Within account 221 220 open 221 220/1 for machinery and equipment recognized from budget appropriations and 221 220/2 for those recognized from the resources of the fund for material incentives and development of medical institutions; mirror the split within account 231 220 as 231 220/1 and 231 220/2	Initial value, accumulated depreciation and carrying amount become readable by financing source without manual reconstruction; the replacement request can be addressed to the correct source; source-based reconciliation of value and custody data becomes routine
Extension of the stock-norm parameter from 15 to 30 days	Amend the accounting policy so that permissible year-end balances of household and stationery goods are determined on a thirty-day rather than a fifteen-day norm, computed separately for budget and off-budget resources	Year-end balances cease to be compressed artificially at the expense of the first quarter of the following year; the expenditure article becomes plannable on a justified basis and target financing is improved
Mandatory first-in, first-out issue for paid-service inventories	Fix FIFO in the accounting policy as the single issue method for inventories acquired from the proceeds of paid medical services, with the issue sequence recorded on the waybill-requisition of form 434	Cost of paid services is measured on a consistent basis; the age structure of stock becomes visible; the risk of expiry losses in reagents and pharmaceuticals is reduced
Proportional mechanism of partial liquidation	On partial liquidation of an object, reduce the initial value and the accumulated depreciation in the same proportion as the liquidated part bears to the object, and document the proportion in the act of form AV-4	Carrying amount after partial liquidation reflects the remaining service potential rather than an arbitrary residue; the wear ratio of the group ceases to be distorted
Alignment of measurement with IPSAS 17 and IPSAS 45	Introduce a periodic assessment of remaining service potential for fully depreciated objects still in operation, and apply the impairment indicators of IPSAS 21 to specialized medical equipment	Fully depreciated but functioning assets acquire an informative valuation; the replacement schedule is based on service potential rather than on the exhaustion of the depreciation charge

Source: developed by the author.

Two of these proposals have already been introduced into the accounting policy of the Centre. The extension of the stock-norm parameter for household and stationery goods to thirty days and the opening of the working sub-accounts 221 220/1, 221 220/2, 231 220/1 and 231 220/2 were reflected in the accounting policy of the Centre in 2025 (reference No. 1/264 of 15 October 2025), which provides a first practical confirmation that the mechanisms are workable within the existing regulatory framework and do not require amendment of the national instruction.

5.2. The resulting information architecture

Taken together the proposals define an architecture in which the primary documentation feeds three analytical layers rather than one. The first layer preserves the recognition channel, the second the financing source and the third the custody attributes. These three layers form a source-differentiated register from which each of the three supply functions draws the specific indicator it needs, and to which the outcome of the supply decision returns as a feedback signal. The architecture is represented in Figure 4.

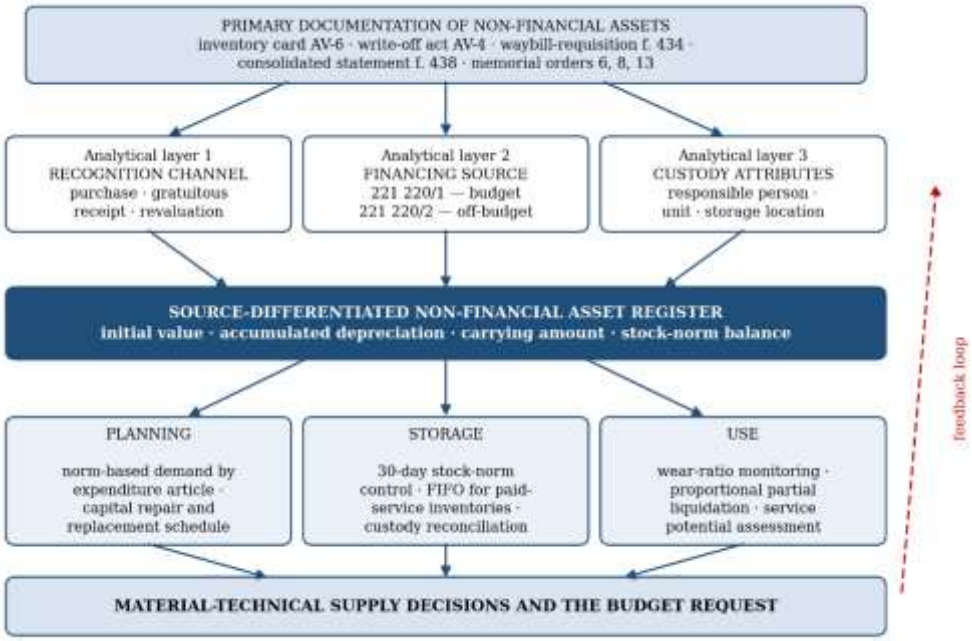


Figure 4. Non-financial asset accounting as an information source for material-technical supply: proposed architecture

Source: developed by the author

The practical significance of the architecture can be illustrated with the data of the Centre. Under the present arrangement the fact that machinery and equipment improved from a wear ratio of 68 to 54 per cent is known only in aggregate, so it enters the following year's request as a general improvement. Under the proposed arrangement the same fact is decomposed: the improvement is attributable to a centralized transfer financed from budget appropriations, while the equipment financed from paid-service revenue continued to age, which is a different conclusion and generates a different request. Similarly, the 47.5 percentage point swing in the budget-financed share documented in Figure 2 becomes a planning parameter rather than an ex post observation, because the register now records the source at the moment of recognition.

These results are consistent with the hospital logistics literature in their direction but differ in their instrument. Vendor-managed inventory, criticality segmentation and buffer-stock compression all raise the efficiency of the physical flow by building a dedicated management system alongside the accounting system. The evidence presented here suggests that in a budget-financed medical organization, where resources for a separate management system are scarce and where the financing source is itself a binding

constraint, a cheaper and more immediate gain is available from restructuring the analytical layer of the accounting system that already exists. The two approaches are complementary: a source-differentiated register is, in fact, a precondition for applying the segmentation techniques of the logistics literature to a dual-financed organization.

The limitations noted in the methods section bound these conclusions. The quantitative results describe one organization over six years, and the coefficients of variation reported above are sensitive to the single large transfer of 2025; excluding that year would reduce the fixed asset coefficient substantially, though not below the threshold of homogeneity. The nominal measurement of values means that the growth of the asset base is overstated in real terms. Verification of the proposals on a wider sample of medical organizations, and estimation of their effect on procurement accuracy over a full planning cycle, remain tasks for further research.

5. Conclusion

This paper set out to establish whether the accounting of non-financial assets in a state medical organization generates information sufficient for the planning, storage and use of material and technical resources. On the evidence of six years of operations of the Republican Specialized Scientific-Practical Medical Centre of Mental Health, the answer is that it does not, and that the reason is structural rather than technical.

The empirical findings are as follows. Of 10,400,489 thousand soums of non-financial asset inflows recognized between 2020 and 2025, only 31.7 per cent of fixed asset inflows came through the channel that the organization plans itself, while 47.6 per cent arrived by gratuitous transfer concentrated in one year. The budget-financed share of the aggregate inflow moved between 40.2 and 87.7 per cent. The coefficient of variation of annual inflows reached 95.0 per cent for fixed assets, 34.1 per cent for inventories and 44.3 per cent in aggregate, so that none of the series is homogeneous and none may be extrapolated by averaging. Buildings and structures reached a wear ratio of about 87 per cent, and transport vehicles remained in service fully depreciated. All of this information exists in the registers of the Centre; none of it is decomposed in a way that permits it to be used.

The paper therefore proposes that non-financial asset accounting in state medical organizations be reorganized around three analytical layers, preserving the recognition channel, the financing source and the custody attributes, and that this be implemented through source-differentiated working sub-accounts within accounts 221 220 and 231 220, a thirty-day stock-norm parameter for household and stationery goods, mandatory first-in first-out issue for inventories acquired from paid medical services, a proportional mechanism of partial liquidation, and a periodic assessment of the remaining service potential of fully depreciated assets in line with IPSAS 17, IPSAS 45 and IPSAS 21. Two of these mechanisms have already been reflected in the accounting policy of the Centre, which indicates that the reorganization is feasible within the existing regulatory framework.

The wider implication is that in dual-financed public health systems the returns to deepening the analytical layer of an existing accounting system are likely to exceed the returns to building a parallel supply-management system. Accounting information in a budget organization is not merely a record of what has been spent; properly decomposed, it is the least expensive forecast of what must be planned.

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