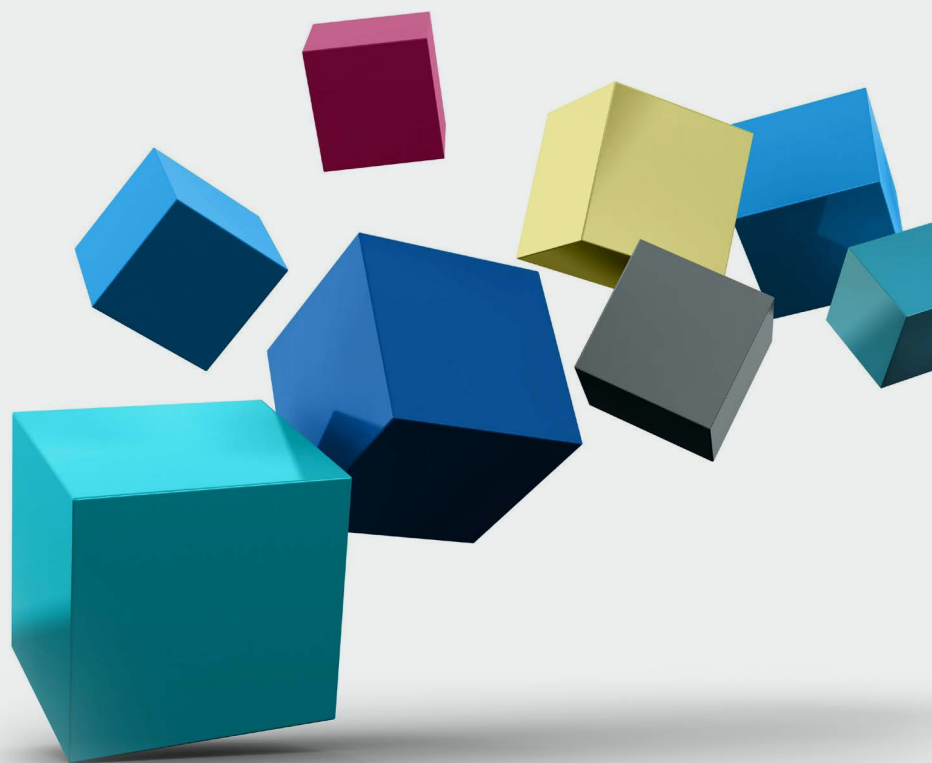


Glossary of Essential Terms in Public Sector Asset Management



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In international contexts, a key issue is that participants from different countries may attach different meanings to the same English-language words. Hence the need for glossaries, especially for professional use, where the correct application of technical terms is crucial.

This glossary focuses on public sector asset management terminology. Its need became evident during the learning and knowledge sharing activities of the CEF's 2022–2024 Efficient Public Sector Asset Management (EPSAM) Program. Its purpose is to provide international practitioners with a collective understanding of the concepts and terms used in public sector asset management. It also serves to offer definitions for specialized words or phrases to a wider audience.

The current version of the glossary is preliminary. It is specifically intended to provide a concise and user-friendly reference point for participants in the CIPFA-CEF Asset Management Certification Program.

The Program will provide an opportunity to test, refine, and possibly expand the glossary. A new version will become available in 2026.

The Glossary is a knowledge product of the Empowered Accountants and Auditors for Accountable Public Sector Project, implemented by the CEF and funded by the Slovenian Ministry of Foreign and European Affairs through Slovenian Aid. Any opinions, findings, conclusions, or recommendations expressed here are those of the authors and do not necessarily reflect the views of the authors' institutions, the CEF, or third parties.

LEGEND

Term (Acronym) Definition / *References* / • Synonyms and closely related terms

Asset 1. A [resource](#) presently [controlled](#) by the entity as a result of past events. / *IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – Conceptual Framework.* / **2.** An item, object, or entity that has potential or actual value to an organization. / *Adapted from: ISO 55000:2024 Asset management: Vocabulary, overview and principles.* /

Resource A right to either [service potential](#) or the capability to generate economic benefits, or a right to both. / *IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – Conceptual Framework.* /

Service potential The capability of a [resource](#) to provide services that contribute to achieving the entity's objectives. [It] enables an entity to achieve its objectives without necessarily generating net cash inflows. / *IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – Conceptual Framework.* /

Control of an asset Arises when the entity can use or otherwise benefit from the [asset](#) in pursuit of its objectives, and can exclude or otherwise regulate the access of others to that benefit. / *IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – Glossary of Defined Terms.* /

Property rights 1. Rights of an owner over property, generally including rights to use the property and to exclude others from it. Property includes not only land and buildings but also investments, cash and other [assets](#). Economic property rights can include: the right to use an asset, the right to earn income from an asset and contract over the terms with other individuals, the right to transfer ownership rights permanently to another party. / *CIPFA Commissioning Joint Committee (2015). Glossary of Terms Used in Planning and Delivering Public Services – Updated December 2015.* / **2.** Rights to use, to earn income from, and to transfer or exchange the [assets](#) and [resources](#). / *Kim J. & Mahoney J. T. (2005). "Property Rights Theory, Transaction Costs Theory, and Agency Theory: An Organizational Economics Approach to Strategic Management". Managerial and Decision Economics, 26(4), 223–242.* / **3.** A composite of following characteristics: (i) access as the right to enter a certain property; (ii) withdrawal as the right to enjoy the material and immaterial "products" of the property; (iii) management as the possibility to regulate internal use patterns and transform the resource by making improvements; (iv) exclusion as the right to determine who shall have an access right and how that right may be transferred; and (v) alienation as the right to sell or lease either or both the management and exclusion rights. / *Adapted from: Schlager E. & Ostrom E. (1992). "Property-Rights Regimes and Natural Resources: A Conceptual Analysis". Land Economics, 68(3), 249–262.* / • Ownership rights (synonym). • Control (a closely related term, but not a synonym, as control may not overlap with ownership).

Accountability 1. Accountability implies the duty to act responsibly and to be accountable to others for one's actions, to maintain effective and logical links between planning, deciding, action, and verification. It "mostly refers to the ability of putting third parties in a position to evaluate the action taken, to adequately make the organization's actors responsible for their actions." / *Farazmand A., ed. (2022). Global Encyclopedia of Public Administration, Public Policy, and Governance. Springer.* / **2.** Accountability is a relationship between an actor [individual, organization] and a forum [individual, institution], in which the actor has an obligation to explain and to justify his or her conduct, the forum can pose questions and pass judgment, and the actor may face [positive or negative] consequences. / *Bovens M. (2007). "Analysing and Assessing Accountability: A Conceptual Framework". European Law Journal, 13(4), 447–468.* /

Financial asset A subset of [assets](#), including: (i) cash; (ii) receivables and other contractual rights to receive cash or another financial asset from another entity (e.g. bonds receivable); (iii) contractual rights to exchange financial instruments with another entity under potentially favorable conditions; and (iv) the equity instruments of another entity, such as shares in government-owned enterprises. / *Adapted from: IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – IPSAS 28: Financial instruments: Presentation.* /

Non-financial asset A subset of [assets](#), defined residually as assets that do not meet the definition of [financial assets](#). / *Authors' own definition.* /

Intangible asset An identifiable [non-financial asset](#) without physical substance. / *Adapted from: IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – IPSAS 31: Intangible Assets.* /

Physical asset 1. A non-financial asset having physical substance. / *Authors' own definition, based on South Africa's 2004 Asset Management Framework, p. 31.* / **2. Inventories** as well as long-term [fixed assets](#) such as plant and buildings, [infrastructure assets](#), [heritage assets](#), defense assets, [natural resources](#), and community assets. / *Adapted from: IFAC (1995). Study 5: Definition and Recognition of Assets.* / • Tangible asset (synonym).

Inventories Assets (a) in the form of materials or supplies to be consumed in the production process; (b) in the form of materials or supplies to be consumed or distributed in the rendering of services; (c) held for sale or distribution in the ordinary course of operations; or (iv) in the process of production for sale or distribution. Inventories are typically [physical assets](#), but they may also include [intangible assets](#). / *Adapted from: IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – IPSAS 12: Inventories.* /

Fixed asset 1. A [physical asset](#) that normally remains with and retains value within an organization for a period longer than one year, for example land, buildings, plant, and machinery. / *Adapted from: Anthony N. & Hastings J. (2014). Physical Asset Management. Springer.* / **2.** A tangible asset “held for long-term purposes [i.e., over one reporting or longer] such as: [property, plant and equipment](#) (including [infrastructure](#), [heritage](#) and military assets); assets subject to a service concession arrangement; biological assets (e.g., government-held plantation forests or forestry); and [investment property](#).” / *The World Bank, PULSAR (2020). Strengthening Fixed Asset Management Through Public Sector Accounting. The World Bank Group.* /

Property, plant, and equipment (PP&E) [Tangible assets](#) that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one reporting period. / *IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – IPSAS 45: Property, Plant, and Equipment.* /

Investment property [Tangible assets](#) and, specifically, “property (land or a building – or part of a building – or both) held [...] to earn rentals or for capital appreciation, or both, rather than for: (a) use in the production or supply of goods or services, or for administrative purposes; or (b) sale in the ordinary course of operations.” / *IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – IPSAS 16: Investment Property.* /

Real estate Real estate refers to land and any structures or natural resources permanently attached to it, such as buildings, water, and minerals. [It] encompasses several categories, each serving different purposes and markets. Residential real estate includes properties designed for people to live in. Examples are single-family homes, apartments, condominiums, townhouses, and vacation homes [...]. Commercial real estate includes properties used for business operations, including office spaces, retail locations, hotels, restaurants, industrial facilities, and shopping malls [...]. Industrial real estate includes properties utilized for manufacturing, production, or storage, such as warehouses, distribution centers, and factories. Land includes any undeveloped property, such as raw land, timberland, recreational land, and agricultural land. Special purpose real estate includes properties designed for a specific use, such as schools, hotels, cemeteries, sports arenas, and medical facilities among others. / *Georgetown University (2025). What is Real Estate?* / • Property, often used as a synonym, although property also includes certain ownership and usage rights, while real estate is a physical (“real”) concept.

Infrastructure asset Some [property, plant, and equipment](#) are described as infrastructure assets because they comprise a number of assets that make up networks or systems that serve the community at large. Generally, infrastructure assets have long lives because the number of assets that make up these networks or systems are continually maintained, replaced, and refurbished. If a number of these assets were removed, the network or system may not achieve its service potential objective. Infrastructure assets typically have the following distinguishing characteristics: (a) they are networks or systems; and (b) they have long useful lives. Although not confined to entities in the public sector, significant infrastructure assets are frequently found in the public sector. Examples include: (a) electricity transmission networks [...], (b) road networks [...], and (c) water systems [...]. / *IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – IPSAS 45: Property, Plant, and Equipment.* /

Heritage asset Some tangible and [intangible assets](#) “are described as heritage assets because of their rarity and/or significance in relation, but not limited, to their archeological, architectural, agricultural, artistic, cultural, environmental, historical, natural, scientific, or technological features. Entities usually intend to hold heritage assets for long periods and preserve them for the benefit of present and future generations. Examples of heritage assets include historic buildings, monuments, museum collections, and works of art. Heritage assets typically have the following distinguishing characteristics: (a) they have restrictions on their use and/or disposal; (b) they are irreplaceable; and (c) they have long and sometimes indefinite useful lives. / *IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – IPSAS 45: Property, Plant, and Equipment.* / • Heritage items (closely related term, generally used to highlight that heritage may not meet the definition of asset).

Operational asset Assets which are held for their operational capacity (i.e. [...] with the primary objective to deliver either front line services or back office functions). / *HM Treasury (2024). The Government Financial Reporting Manual: 2025-26.* / • Assets held for operational capacity (synonym).

Non-operational asset Assets that do not meet the definition of [operational assets](#), including: (i) [investment property](#); (ii) tenanted non-residential assets – commercial (e.g., shops, offices, farms, industrial, quarries); (iii) tenanted non-residential assets – community (e.g., youth clubs, sports clubs, other community organizations); (iv) assets not in use; (v) surplus assets (i.e., not in use and with no clear plan to be brought back into future use as operational assets); (vi) assets held for sale. / *Adapted from: HM Treasury (2024). The Government Financial Reporting Manual: 2025-26. Materials for the CIPFA-CEF 2025-2026 Asset Management Certification Program.* /

Natural resource A natural resource is an item which: (a) is naturally occurring; and (b) embodies service potential, or the capability to generate economic benefits, or both. Naturally occurring items are the living and non-living components of the Earth, together constituting the biophysical environment, which came into existence in nature without the actions of humankind. Not all natural resources can be recognized as assets. This may be because existence uncertainty prevents them from being considered a [resource](#) (e.g., unextracted minerals) or because they are not controlled by an entity (e.g., water, animals). / *IPSASB (2024). Exposure Draft 92: Tangible Natural Resources. Adapted from: Anessi-Pessina et al. (2025). "Debate: Reflections on the IPSASB's Exposure Draft (ED) 92—Tangible Natural Resources". Public Money & Management, 1–3.* /

Lease A contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. The right is provided by the lessor to the lessee. A “finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.” An “operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.” / *Adapted from: IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – IPSAS 43: Leases.* /

Public sector asset Asset owned or [controlled](#) by an organization that is part of the public sector. Under statistical bases of financial reporting, the public sector comprises the General Government Sector (GGS), the Public Financial Corporations Sector (PFC), and the Public Non-Financial Corporations Sector (PNFC). The GGS is defined [...] as consisting of (a) all resident central, state, and local government units, (b) social security funds at each level of government, and (c) nonmarket non-profit institutions controlled by government units. The PFC sector comprises resident government-controlled financial corporations, quasi-corporations, and non-profit institutions that primarily engage in financial intermediation and the provision of financial services for the market. Included within this sector are government-controlled banks, including central banks, and other government financial institutions that operate on a market basis. The PNFC sector comprises resident government-controlled non-financial corporations, quasi-corporations, and non-profit institutions that produce goods or nonfinancial services for the market. Included within this sector are entities such as publicly owned utilities and other entities that trade in goods and services. / *Authors' own definition. The definition of “public sector” is reproduced from: IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – IPSAS 22: Disclosure of financial information about the general government sector.* / • **State-owned asset** • **Government asset** (closely related terms, but possibly ambiguous. Although they may be used broadly to identify the public sector, “state” may also be used narrowly to refer to the central government, while “government” may be used narrowly to refer to the GGS).

Capital expenditure (Capex) One-off expenditure on major items which have a life of longer than one year (e.g. land and property) ... with current expenditure implications. / *The Royal Institute of Chartered Surveyors, as referenced in: Audit New Zealand. Asset management for public entities. Appendix: some definitions.* / • **Operational expenditure** (complementary category of spending).

Operational expenditure (Opex) Include costs for operations personnel, materials, fuel, chemicals and energy consumption etc. Opex is revenue spending. / *Association of Local Government Engineering NZ Inc's International Infrastructure Management Manual, as referenced in: Audit New Zealand. Asset management for public entities. Appendix: some definitions.* / • **Capital expenditure** (complementary category of spending). • **Operational costs** (a closely related term, but not a synonym, because “cost” is a broader term which can refer to money, time, or effort). • **Operational expenses** (a closely related term, but not a synonym, as it generally refers to the portion of expenditure recognized in the income statement for a given period).

Asset recognition Recognition is the process of incorporating and including in amounts displayed on the face of the appropriate financial statement an item that meets the definition of an element [of an asset, for asset recognition] and can be measured in a way that achieves the qualitative characteristics and takes account of the constraints on information included in General Purpose Financial Reports (GPFRs). General purpose financial reports are financial reports intended to meet the information needs of users who are unable to require the preparation of financial reports tailored to meet their specific information needs. GPFRs provide information to users for [accountability](#) and decision-making purposes. / *IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – Conceptual Framework.* / *IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – Preface to IPSAS.* /

Asset measurement Measurement is the process of determining the monetary amounts at which the elements of the financial statements [the assets, for asset measurement] are to be [recognized](#) and carried in balance sheet and income statement. This involves the selection of the particular basis of measurement. Initial measurement occurs when the element is first recognized in the financial statements. Subsequent measurement is the process of re-determining the carrying amount of an element after its initial [recognition](#), in accordance with the applicable measurement basis, to reflect changes in value, use, or circumstances occurring in subsequent reporting periods. / *IASB (2010). Conceptual Framework for Financial Reporting (superseded). Authors' own definition.* /

Carrying amount of an asset The amount at which an asset is recognized in the statement of financial position, after deducting any accumulated depreciation and accumulated impairment losses thereon. / IPSASB (2025). *Handbook of International Public Sector Accounting Pronouncements – Glossary of Defined Terms.* /

Opening balance sheet / statement of financial position (OBS) First balance sheet / statement of financial position prepared under a new basis of accounting (e.g., accrual accounting) or a new set of standards (e.g., IFRS, IPSAS, EPSAS). IPSAS guidance defines the Opening statement of financial position as “a first-time adopter’s statement of financial position at the date of adoption of IPSAS. EPSAS guidance draws a distinction between (i) the first accrual-based opening balance sheet (OBS) and, after a transition period, (ii) the first EPSAS-based OBS. / *Authors’ own definition. IPSASB (2025). Handbook of International Public Sector Accounting Pronouncements – IPSAS 33: First-time Adoption of Accrual Basis IPSAS. EPSAS Working Group (2017). Guidance for the first time implementation of accrual accounting.* /

Asset management (AM) **1.** Asset management involves acquiring, operating, maintaining, and renewing assets throughout their lifecycle. It ensures that assets deliver required levels of service and meet demand in the most cost-effective manner possible. It involves taking a long-term, often inter-generational view. It “follows the usual property **lifecycle**: plan for assets, acquire assets, manage or operate them, then renew or dispose of the assets”. / *Audit New Zealand. What good looks like: Asset management. New Zealand Government Property Office New Zealand. Guidance: Assets and facilities.* / **2.** Asset management includes all activities aimed at the **maintenance** and effective use of public assets in order to maximize societal well-being. In its narrower, more practical sense, asset management embraces acquisition, planning, and the recording, maintenance, and disposal of public assets by government entities and enterprises. / *Farazmand A., ed. (2022). Global Encyclopedia of Public Administration, Public Policy, and Governance. Springer.* / **3.** Public sector fixed asset management can be defined as a systematic approach to the governance of public sector assets and the process of optimizing their use over their **lifecycle** in terms of public service delivery and financial return for the benefit of citizens. Managing fixed assets generally implies making decisions on acquisition, construction and development, operation, **maintenance**, disposal, and replacement. / *The World Bank, PULSAR (2020). Strengthening Fixed Asset Management Through Public Sector Accounting. The World Bank Group.* / **4.** A structured process that seeks to ensure best value for money from [...] assets in serving the strategic needs of public sector organizations. / *Royal Institute of Chartered Surveyors (2008). Public Sector Asset Management Guidelines: A Guide to Best Practice, as referenced in: Ngwira M. & Manase D. (2016). Public Sector Property Asset Management. Wiley-Blackwell.* /

Asset management governance framework (AMGF) An AMGF includes a statement of the overall purpose of **asset management**, the vision statement, key foundational principles that distinguish asset management from historical management practices, the basic types of activities involved in asset management and an identification of stakeholders in the context of the scale, scope, and activities associated with asset management. This framework identifies the “why, what and who” of asset management. It does not identify or incorporate the “how” to carry out **asset management strategy** development and implementation. / *Authors’ own definition based on various sources, including: National Asset Management Working Group (2009). An Asset Management Governance Framework for Canada.* /

Asset management model Structured **asset management** framework that defines how asset-related responsibilities, decision-making authority, and operational roles are distributed across entities or organizational units. Under a centralized (“corporate landlord”) model, all asset-related responsibilities and decision-making authority are entrusted to a dedicated unit. Under a decentralized model, conversely, responsibilities and decision-making authority are distributed across several units. A semi-decentralized model implies the development and enforcement of robust horizontal performance management practices under a unified institutional umbrella – in the form of a coordinating body. It implies a center-led coordination in a decentralized management system. In the public sector, the reference to a decentralized model may also refer to the devolution or delegation of asset-related rights and responsibilities from the central government to subnational governments. / *Authors’ own definition.* /

Asset management policy **1.** To design a policy means outlining the governing principles. Asset management policy designates what government chooses to do with public sector assets, as well as how government intends to convert its commitments into practice. / *Authors’ own definition.* / **2.** The asset management policy sets out “the overall policy direction for the management of assets to deliver the corporate objectives and priorities of the organisation. This ensures that strong links between corporate policy objectives and priorities and asset management policy objectives are identified from the outset and the strategy and action plans flow from this. / *CIPFA Property (2020). A Guide to Local Authority and Public Sector Asset Management.* / **3.** Defines principles, requirements, and responsibilities. / *Audit New Zealand. What good looks like: Asset management.* / **4.** A policy statement that provides the overarching principles and organisational objectives for managing assets to give effect to organisational vision. / *Republic of South Africa - Department of Provincial and Local Government (2010). Guidelines for Infrastructure Asset Management, as referenced in: Ngwira M. & Manase D. (2016). Public Sector Property Asset Management. Wiley-Blackwell.* / • **Asset management strategy** and **Asset management plan** as lower levels of intent and action.

Asset management strategy 1. To design a strategy means setting mid-term or long-term asset management objectives to implement the [asset management policy](#). Strategies provide a higher-level strategic view of issues for assets than asset management plans. / *Authors' own definition.* / **2.** The asset management strategy provides “an overview of the organisation’s land and property estate, together with the main priorities for managing and developing that estate in support of corporate objectives,” including governance arrangements, approach and key initiatives. / *CIPFA Property (2020). A Guide to Local Authority and Public Sector Asset Management.* / **3.** Specifies a high-level action plan and objectives with a long-term (10- to 30-year) horizon, in line with corporate strategy and objectives. / *Adapted from: Audit New Zealand. What good looks like: Asset management.* / • [Asset management policy](#) and [Asset management plan](#) respectively as higher and lower levels of intent and action.

Asset management plan 1. To design plans means setting what is to be done in practice. / *Authors' own definition.* / **2.** Sets out how the necessary changes will be delivered. / *CIPFA Property (2020). A Guide to Local Authority and Public Sector Asset Management.* / **3.** Plans to ensure that the land and buildings asset base of an organisation are optimally structured in furthering the purposes of the organisation concerned. / *CIPFA Commissioning Joint Committee (2015). Glossary of Terms Used in Planning and Delivering Public Services – Updated December 2015.* / **4.** A document which sets out the Asset Strategy in order to help determine which assets should be acquired, renewed, improved, maintained, or disposed of, once alternatives to investing in assets have been explored. / *CIPFA (2008). A Guide to Asset Management and Capital Planning in Local Authorities, as referenced in: Ngwira M. & Manase D. (2016). Public Sector Property Asset Management. Wiley-Blackwell.* / • Asset action plan (synonym). • [Asset management policy](#) and [Asset management strategy](#) as higher levels of intent and action.

Asset management system An asset management system is a “management system for asset management.” A management system is a “set of interrelated or interacting elements of an organization to establish policies and objectives, as well as processes to achieve those objectives.” The management system elements include the organization’s structure, roles and responsibilities, planning and operation. The scope of a management system may include the whole of the organization, specific and identified functions of the organization, specific and identified sections of the organization, or one or more functions across a group of organizations. / *Adapted from: ISO 55000:2024 Asset management: Vocabulary, overview and principles.* /

Strategic asset management Strategic asset management is about delivering the corporate objectives and priorities of the organisation through the management of assets. / *CIPFA (2020). A Guide to Local Authority and Public Sector Asset Management.* / • [Asset management strategy](#) (closely related term).

Asset portfolio Assets that are within the scope of an [asset management system](#). A portfolio is typically established and assigned for managerial control purposes. / *Adapted from: ISO 55000:2024 Asset management: Vocabulary, overview and principles.* /

Asset portfolio optimization Having the right properties in the right place for the right purposes. / *Audit New Zealand. What good looks like: Applying asset management to a property portfolio.* / • [Asset portfolio](#) (closely related term).

Option appraisal Option appraisal is about: making informed choices and better decisions; identifying and exploring different ways of achieving a given objective; using a range of techniques to assess the costs and benefits of different options; selecting the most appropriate option in a robust, transparent and accountable way / *CIPFA (2017). Option Appraisal - A Practical Guide for Public Service Organisations* /

Meanwhile use of assets Meanwhile use refers to the short-term use of temporarily empty buildings (or land) such as shops until they can be brought back into commercial use. It takes a potential problem and turns it into an opportunity and helps keep an area vibrant. / *Designing Buildings (The Construction Wiki) UK* / *On this topic, see also*

Lifecycle asset management Means considering [\[asset\] management](#) options from the time that the need for an asset is identified, through its period of operation, to the time when the asset is disposed of. / *Audit New Zealand. Asset management for public entities. Appendix: some definitions.* / • [Holistic lifecycle approach](#) to [asset management](#) (closely related term, placing an emphasis on sustainability and resilience).

Whole Life Costing (WLC) Costing information analyzed for an asset over the whole period that it will be useful for an authority (public sector organization), including purchase price, repairs and maintenance costs, energy bills, asset utilization charges, income generated from the asset, and any residual value. Provides full information on the revenue implications of ownership of the asset. / *Scottish Government. Local government finance: glossary of terms* / • Whole Life Appraisal (WLA) (closely related term) • Life-Cycle Costing (closely related term)

Asset maintenance Maintenance is the combination of all technical and management actions intended to retain an item in, or restore it to, a state in which it can perform as required. / *ISO 14224:2016 Petroleum, petrochemical and natural gas industries – Collection and exchange of reliability and maintenance data for equipment.* /

Condition assessment Condition assessment is the systematic process of gathering data on the physical state of assets. It often involves gathering data on a sample of assets and interpolating the condition of others with similar characteristics. The International Infrastructure Management Manual says that ‘asset condition reflects the physical state of the asset, which may or may not affect its performance. ... The performance of the asset is the ability to provide the required level of service to customers’. Condition is therefore different from asset performance. Along with defining and prioritizing assets, condition assessment is a key step involved in creating and maintaining an [asset register](#). / Adapted from: *Audit New Zealand. Asset management for public entities. Appendix: some definitions.* /

Means of asset utilization Means of asset utilization encompass the following: production or supply of goods or services, administrative use, ownership and usage transfer, urban regeneration, lease, concession, sale, etc. / Adapted from: *Grubišić M., Nušinović M. & Roje G. (2009). “Towards Efficient Public Sector Asset Management”. Financial Theory and Practice, 33(3), 329–362.* / • Possible asset uses (synonym).

Asset inventory A list of assets that contains enough details to physically locate and identify the asset. / Authors’ own definition. / • Asset terrier (synonym) • [Asset register](#) (closely related term). • [Cadaster](#) (closely related term).

Asset register 1. An asset register is not “just [...] a basic list of all existing assets, but should also include more detailed information such as the following: technical information, legal information, information on value. Asset registers provide important non-financial information for internal decision-making, such as type, nature or physical condition, and replacement schedule. Because asset registers are considered an instrument for internal management purposes, governments rarely make their asset register information publicly available. / *The World Bank, PULSAR (2020). Strengthening Fixed Asset Management Through Public Sector Accounting. The World Bank Group.* / **2.** Asset registers allow agencies to keep track of the value and condition of current assets, allowing for better budgeting and more information on the potential risks involved. / *New Zealand Government Property Office New Zealand. Guidance: Assets and facilities.* / **3.** The asset register is the asset database that provides the basis for the figures in the financial statements. It includes information on asset purchase prices, [asset condition](#), and expected life. It may also include information on the current replacement cost. All assets should be recorded in the asset register, regardless of the funding. The asset register should contain non-financial data on acquisition, identity, [accountability](#), performance, and disposal, in addition to the financial data necessary to discharge statutory reporting obligations. Indicators can be included to reflect as performance measurement indicators in a report. The size and complexity of an asset register will depend on the number and type of assets held by an entity. The volume of purchases, transfers and disposals in a year is also an indicator of the degree of sophistication required for asset recording and reporting. / *South Africa’s 2004 Asset Management Framework, pp. 33–34.* / • [Asset list](#) (closely related term). • [Cadaster](#) (closely related term).

Cadaster An official, comprehensive, and detailed register of all land and buildings within a country or subnational jurisdiction, including data on ownership, location, dimensions, boundaries, value, and use. Generally, it is legally regulated, maintained by a government agency or department, and a matter of public record. The information recorded and the protection provided by registration vary widely across jurisdictions. / Authors’ own definition. / • [Asset list](#) (closely related term). • [Asset register](#) (closely related term). • Land registry (a closely related term and possibly a synonym, depending on national contexts).

Asset management information system (AMIS) 1. All assets should be “recorded in a centralised [Asset Management](#) Information System (AMIS). The AMIS interfaces with other core systems (for example GIS, property maintenance records, customer relationship modules, and finance system) to minimise data duplication and inconsistencies. The AMIS provides information for both day-to-day and longer-term planning. / *Audit New Zealand. What good looks like: Applying asset management to a property portfolio.* / **2.** A program/software used to support [asset management](#). / Authors’ own definition. /

Key performance indicators (KPIs) 1. Specific metrics used to quantify an organization’s performance and measure progress towards set objectives. / Authors’ own definition. / **2.** Critical, quantifiable measures of progress toward a desired result. They help organizations determine if their efforts are making an impact, allocate resources effectively, and focus improvements where they matter most. KPIs provide a solid foundation for strategic and operational decision-making. Typically, they balance leading indicators (which forecast future performance) with lagging indicators (which reflect outcomes achieved) to guide both planning and review. / *KPI.org.* /

Asset owner The asset owner holds the legal rights, defines policies, and holds ultimate [accountability](#) for an asset. / Authors’ own definition. / • The same entity can simultaneously hold any combination of the three roles: asset owner, [asset custodian or steward](#), and asset user.

Asset custodian or steward The asset custodian or steward is assigned “technical” responsibilities over assets by the asset owner. This means they are responsible for implementing policies and administering aspects such as availability, capacity, continuity, etc. / Authors’ own definition. / • The same entity can simultaneously hold any combination of the three roles: [asset owner](#), asset custodian or steward, and [asset user](#).

Asset user The asset user is given the right to use the asset. / Authors’ own definition. / • The same entity can simultaneously hold any combination of the three roles: [asset owner](#), [asset custodian/steward](#), and asset user.

Sustainable asset management Sustainable [asset management](#) is management that balances environmental, social, economic, and cultural impacts during the asset's lifecycle in order to deliver value to the public. To achieve sustainable asset management, sustainability is integrated into asset procurement and, by prioritizing long-term cost-effectiveness, the asset is managed with the “whole of life” perspective. This is particularly applicable for [infrastructure assets](#), which generally need to meet current needs, but also to enable their use for future benefits. / Adapted from: Audit New Zealand. [Asset management for public entities. Part 3: The best of what we found](#). New Zealand Institute of Public Works Engineering Australasia. [Asset Management](#). /

Resilient asset management Resilient **asset management** in the public sector is based on a strategic and long-term approach to managing public sector assets. Generally, resilient asset management refers to the management of physical infrastructure, equipment, and property so that they can withstand the shocks and stresses induced by climate change events and other disasters, as well as economic downturns. Resilient asset management refers to actions beyond traditional asset management and maintenance where resilience is integrated into the entire asset lifecycle (acquisition, operation and renewal and disposal). The aim is to provide affordable, sustainable, and reliable services by asset for current and future generations. / *Adapted from: Institute of Public Works Engineering Australasia. White pPaper: Best Practice Asset Management of Essential Public Infrastructure. New Zealand Treasury (2023). Asset Management Guidance for Agencies. Asset Management Principles, Asset Management Plans and Asset Registers guide for agencies covered under Cabinet Office circular CO (23). /*

Holistic lifecycle approach to asset management One of the key aspects of sustainable [asset management](#) is to plan and optimize the life cycle of [physical assets](#), such as buildings, equipment, infrastructure, and vehicles. This involves considering the whole spectrum of activities and costs associated with acquiring, operating, maintaining, and disposing of assets, as well as the environmental and social impacts of each stage. By adopting a holistic approach to life cycle planning, asset managers can achieve the following benefits: (i) maximize the value and performance of assets throughout their useful life, ensuring that they meet the needs and expectations of stakeholders and customers; (ii) minimize the total cost of ownership of assets, taking into account not only the initial [capital expenditure](#), but also the ongoing operating and maintenance costs, as well as the residual value or disposal costs; (iii) reduce the risks and uncertainties associated with asset management, such as unexpected failures, obsolescence, regulatory changes, and market fluctuations; (iv) enhance the sustainability and resilience of assets, by minimizing the negative environmental and social impacts of asset-related activities, such as greenhouse gas emissions, resource consumption, waste generation, and community disruption. / *FasterCapital. Asset Life Cycle Strategy: Sustainable Asset Management: A Holistic Approach to Life Cycle Planning* / • [Lifecycle asset management](#) (closely related, more traditional term).

Value for money asset management Greater value for money, where taxpayers get more or higher quality infrastructure services for less. / *New Zealand Office of the Minister for Infrastructure (2025). Cabinet Paper: EXP-25-SUB-0049: Improving Asset Management Processes and Practices (Cabinet Paper EXP-25-SUB-0049: Improving Asset Management Processes and Practices in New Zealand - 6 May 2025 - Improving Asset Management Processes and Practices in New Zealand - Office of the Minister for Infrastructure).* /



MY NOTES



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