

**NEW JAPANESE LOCAL GOVERNMENT ACCOUNTING STANDARD AND THE
ASSET (OR PROJECT) MANAGEMENT**

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Área temática: F) Sector Público

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Abstract

As the use of accounting information based on the new accounting standard, MIC (Ministry of Internal Affairs and Communications) emphasizes on not only for the accountability but also for the internal use such as an asset management, budgeting, or performance evaluation. MIC recommends local governments to create the segment financial statements in order to perform asset management and performance evaluation effectively. However, segment information is not mandatory but its depends on the discretion of governments. In fact, only about 10% of governments prepare or are going to prepare the segment financial statements. While many governments do not show the concern about segment statements, some governments has implemented the segment reporting system and they use the information for performance evaluation or construct new asset management system. MIC expects many governments follow the leading governments. Machida-city (Tokyo) prepares financial statements about all the sections (= program) (112 departments) and important projects (125 projects). They took in financial information to administrative evaluation (program and project performance evaluation), and disclose the result of self-evaluation with financial, non-financial, and qualitative information. Suita-city (Osaka) prepares financial statements about 150 segments (projects), and they have implemented the new asset management system which focused on property management.