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Under No.11 position paper "Economic and Monetary Union" Romania took responsibility of reporting according to European System of Accounts ESA 95. Public Institution classification is necessary to delineate the perimeter of general government (S.13), subdividing it into sub-sectors and to define how to consolidate their financial statements. To fulfill this research we used methods of documentary research, observation, analysis and empirical observation. Through the specific procedure of documents observation performed we accomplish delineating the problem in the general context. The empirical experiments produced practical data. The purpose of this study considered the practical applicability of a solution in offering a model of reporting that lead to increased correctness, forwardness, quality, of accounting information provided to their users

Keywords: ESA 95, sub sector, liabilities, financial statements

Codjel: M41

Framework

Through entity's relation with its environment the need for objectives, relevant information arises whose satisfaction is required adequate supply. Accounting information in an organized manner provided by practitioners of economic entities should be useful to all users of information products of accounting. Market information is the meeting place of demand and supply of such information. Informational demand represents on one side informational needs of different users, and on the other side the pressures they are putting on general information system. The informational offer represents the aggregate information obtained in the accounting information system, available to various users groups and forms and their transmission routes.

Compared to other information sources, accounting information has high credibility. This credibility is being helped by auditors intervention, which aim to certify the summary documents submitted to users by managers.

Romanian Framework

Accounting Law provides that all companies should record the transactions based on double-entry bookkeeping system, the categories of entities which record their transactions single-entry bookkeeping system being specified by law. The responsibility to organize and record all the transactions for public institutions belongs to credit release authority.

Public institutions organize the accounting system, in different compartments led by the chief financial, accounting officer, or other person empowered to perform this function.

These people should have BA in economics and jointly share responsibility with his staff in the organization and management accounting law. Public institutions to which accounting is not organized into separate compartments or does not have staff employed by individual employment contract, can establish separately work contracts, to organize accounting system, and to present the financial statements, with professional external to this institutions, authorized by law. Conclusion of contracts is subject to the regulations in force on public goods and services.

It is specific characteristic Romanian national accounts try positioning between two accounting cultures the traditional continental one and the Anglo-Saxon one.

Indebted customs, the communist doctrine, multiple legislative changes Romanian accountant from public system shows an aversion to new, need to be talked what/how/when to do.

International Accounting Standards (IAS/IFRS/IPSAS) come with a cultural inheritance difficult to be assimilated; it is based on professional reason (not a parameter in the communist era). The professional reason based on a set of general accounting accepted principles, can lead to a multitude of valid solutions to the same type of problem (controversy giving rise to supervisory bodies that may have another option).

The continuous change of International Accounting Standards, irrespective of their form, become in a paradox way more complex, and also more clarifying, lead to a new perspective for the Romanian Accountant whom is becoming a more international one. mastering the principles, and the terms of international accounting.

To converge means to moved toward the "to the same point, the same goal"; in the accounting domain *convergence* is a relatively new concept, appearing together with the internationalization of IASB objectives, in 2001. One of these objectives states: "To cooperate in an active manner with national regulatory standards board to identify quality solutions for the convergence of national accounting standards with standards developed by the IASB"

Compliance under explanatory dictionary of Romanian language is defined as: The ratio between two similar things or identical match, consistent identity. Accounting Compliance is the process by which compliance is assessed, and action consistency in content presentation rules and drawing up financial statements represent a harmonization of national regulations with the rules set by regional and international standardization bodies."

I agree with the conclusion reached „Convergence is following up on a national spirit of IAS / IFRS / IPSAS and conceptual framework, namely the adoption of the accounting treatment under international standards while normalizing the accounting means alignment, compatibility, for example at the European level, the accounting rules of different countries”

When it comes to economic account, many of member states of European Union, by lack of economic data, it so often referred to accrual with respect to financial, characterized by recording, the finding of income and expenditure obligations is adjusted to economic values on financial dimensions management based on economic accrual.

Public Romanian Institutions, using double entry bookkeeping system, records directly incomes and expenditure based on economic accrual to the reference period.

We number through the objectives of accounting normalization:

“...ensure regulatory accounting practices and thus lead to improved accounting

“...enable users of accounting information to make rational decisions based on accounting information

.. o serve as arbitrator between the various parties involved in economic life and, in particular between producers accounting information and accounting auditors who certify the quality of information thus ensuring the credibility of social accounting information;

To allow and enhance consolidation accounting in order to obtain an accurate accounting information for group companies;

..To assure the development of national statistics ,,

Reporting on sub sectors in Romania

Under No.11 position paper "Economic and Monetary Union" Romania took responsibility of reporting according to European System of Accounts ESA 95.

Given the internal and external reporting demands in 2009 by adopting the Minister of Public Finance Order nr.629/2009 Methodological Norms for the preparation and submission of quarterly financial statements of public institutions and of monthly financial reports in 2009 with amendments and supplemented (Omf.p.nr 2290/2009, 2941/2009 Omfp.nr) was introduced the necessity of sub sectors reporting.

The user of accounting information faces two sub sectors organization so when public institutions are grouped as sub sectors compiling annex for each sub sector they belong to:

- Annex 40a "Statement of assets and liabilities of central government institutions,"
- Annex 40b "Statement of assets and liabilities of public institutions of local government"
- Annex 40c "Statement of assets and liabilities of public institutions of social insurance (State, unemployment, health).

And the reporting of their contents is performed as defined by sub sectors:

Sectors and sub sectors according to	Name	User	Code ESA'95
European System of Accounts (ESA' 95)	IN	Annex 40	
Non financial companies	Economic operators		S.11
Financial Companies			S.12
Central Bank	B.N.R.		S.121
Other monetary financial institutions	Institutions	Credit Resident	S.122
Other financial intermediaries, except insurance companies and pension funds	Other residents		S.123
Financial auxiliaries	Other residents		S.124
insurance companies and pension funds	Other residents		S.125
Public administration			S.13
public institutions of central government			S.1311
public institutions of local government			S.1313
public institutions of social insurance			S.1314
Other states	Non-residents		S.2
European Union	Non-residents		S.21
Member States of European Union	Non-residents		S.211
Institutions of European Union	Non-residents		S.212
Third countries and international organizations	Non-residents		S.22

Classifying the public institutions is necessary to delineate the perimeter of public administration, to share it in sub sectors, as well as to define how their aggregated financial statements.

ESA 95 Manual shares the sector of public administration in four sub sectors:

- Public institutions of central government (S.1311),
- Intermediate public institutions of government (S.1312), does not appear as such in Romanian division
- public institutions of local government (S.1313),
- public institutions of social insurance (S.1314).

S.13 sector structure component analysis is required to analyze sub-classification of the institutions mentioned above, to reflect the route transactions to / from government.

Demarcation of the universe of public government is essential to prepare consolidated reports of the respective sector and the public government sector under the standards identified in this respect in Europe and internationally.

It should be noted the difference between public and government that depends on the classification of institutions. According to ESA 95, an institution is included in sub S.13 on its financing arrangements and the so-called compliance with the 50% criterion. This criteria are purely statistical and therefore not include an institution on the public institution list is based not only on its economic and legal profile.

For Romania, the institutions included in the perimeter of government based on two elements:

- financing arrangements
- Legal personality.

Example of standardized reporting practice Liability to Suppliers

Next we illustrate the analytical models, disclosure of the Liability to Suppliers

Presentation in a synthetic balance sheet at this moment

40			Suppliers and similar accounts
	401		Suppliers
	404		Fixed asset suppliers
		4041	Suppliers of fixed assets under a year
		4042	Suppliers of fixed assets over a year
	408		Suppliers - invoices not arrived
	409		Suppliers - debtors
		4091	Suppliers – debtors purchases of goods inventories nature
		4092	Suppliers – debtors for service and execution of works

First version analytical on sub sectors it has been tried to complement the automatic export of data to balance the 'Annex 40 (a, b, c) Statement of assets and liabilities of public institutions, information related to "Annex 30 Delays" in which complement or encountered numerous errors.

Non-current trade payables related supplies and services (ct.401+403+4042+405+4622). Total (rd.458+459+463+464), which:	Delays of public institutions of central government - (representing unpaid debt up to term) of commercial operations (ct.401+403+404+405+462). Total (rd.492+493+497+498)from which to:
-Economic operators (S11)	- Economic operators (S11)
-Public institutions from which (rd.460+461+462):	- Public institutions from which (rd.494+495+496):
- Central government (S1311)	- Central government (S1311)
- Local government (S1313)	- Local government (S1313)
- Insurance institutions (S1314)	- - Insurance institutions (S1314)
-other residents (S123,S124,S125)	--other residents (S123,S124,S125)
--Non residents (S21,S22)	--Non residents (S21,S22)

Current trade payables related to supplies and services (ct.401+403+4041 + 405+408+419 +4621). Total (rd.466+467+468.1+468.2), din care cater:	Delays of payments to suppliers, creditors of commercial operations (ct.401, ct.403, ct.404, ct.405, ct.462) din care: (rd.07.1+08+09+10+11)	07
- Economic Operators (S11)	-under 30 days	7.1
-Public Institutions from which: (rd.467.1+467.2+467.3)	-over 30 days	08
- Central government (S1311)	-over 90 days from:	09
- Local government (S1313)	-(ct.462)	9.1
- Insurance institutions (S1314)	-over 120 days	10
-Other residents (S123,S124,S125)		
- Non-residents (S21,S22)		
Debt from clearing operations, barter and economic cooperation (ct.462/5128)		

So being for the first case we have the following structure:

Synthetic account of first degree – suppliers was divided into the current and on current period, these accounts were in turn divided into accounts on sub- sectors, which were made taking account sub-division employment or settlement within the current period.

Inconvenient of this model are defined as follows.

A) Inability to develop synthetic unit balance and accounts of others to such a level of analytical representation

B) High degree of error which may occur in filling in the current settlement, the division generating difficulties, limits applying to future periods compared to the delayed pays report which was based on previous period

C) Many operations necessary to end of the month to their correct reporting and to fulfill its role to support the preparation of cash flow (ig Receive an invoice in 7 days settlement period, if received in the first days of the month, to its end where nonpayment was delayed, whether it was delivered in late fall into these categories)

To the second model we have the following grouping: current and non-current period

As found in dividing term solution to pay current period was chosen to make settlement within months of / analytical per month.

Thus a reduced employment opportunity for error in terms of the settlement payment is due in the same month and payment of invoices within 7 days, 30 even 180 days.

Problems arise when the health sector which are required by law for payment deadlines and troubleshoot the 180 days since July as the invoice will show the debt payment deadline non-current although less than a year and even pay up to end

As computing solution for avoiding the error of Completion from the calendar month following the expiry settlement accounts within months expired may not balance being blocked from completing fields (sub-account balance by the payment due date in January from the month February should be zero or as a result of payment or the transfer of category outstanding under 30 days)

Conclusions

SWOT analisys of this standardisation of liabilities to suppliers

Strengths

Provides a clearer picture, help in preparing cash-flow,

- Information on such debt indifferent is important.
- It facilitates a better assessment of management, procurement, suppliers of credit limits.

Weaknesses

- Original complex operations, human resources, insufficient training. Lack of specialized human resource endowment.

Opportunities

Reliability of the information provided internally and especially the risk of attracting international. Reduce plan sanctions for exceeding the time limits for submission of the situation, or supplementing them with errors.

Threats

Insufficient allocation of human resources results in less relevant and reliable information delays in reporting information on bodies (inter) national, drawing penalties.

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