



STUDY ON THE POSSIBILITIES OF EXTENDING THE APPLICATION OF INTERNATIONAL STANDARDS FOR THE PUBLIC SECTOR (IPSAS) IN PUBLIC ACCOUNTING IN ROMANIA AND IN THE MINISTRY OF NATIONAL DEFENCE

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Connecting the national public sector accounting legislation to international profile standards (IPSAS) is an effort that started in our country before 2005 and continues today. This approach is part of the concerns of specialists in other countries to make this connection to this global accounting framework. In our country, this approach was carried out by various groups of specialists from the relevant ministry, from universities and from audit or consulting companies, which configured the new form of accounting legislation, continuously subject to the effort of connecting to IPSAS. In this regard, we also initiated a study, based on the application of a questionnaire among the professional accountants in the army, the conclusions of which we presented in this article.

Keywords: International Public Sector Accounting Standards (IPSAS); public sector; financial situations; tangible assets; inventories; cash flows.

Approaches of different specialists regarding the extended implementation of IPSAS in public accounting in Romania

Regarding the possibilities of applying the International Public Sector Accounting Standards (IPSAS) in the profile accounting in Romania, there were concerns and researches were carried out years ago or more recently, by some specialists from the Ministry of Finance, some consulting companies or university teachers, to identify the possibilities of implementing these standards in the accounting activity of public institutions in our country, which resulted in the gradual implementation of some of these standards, an aspect reflected in accounting regulations adopted after 2005.

To begin with, we should pay attention to opinions of two specialists from the Ministry of Public Finance who worked at a certain stage on the implementation of IPSAS in public accounting in Romania. This research carried out by the two specialists can be found in the article *Convergence of accounting of public institutions with International Accounting Standards for the Public Sector (IPSAS)*¹.

The research was oriented in such a way as to allow the authors to highlight the omissions from the implemented IPSAS, to formulate proposals for adoption and other standards, to propose some conditions to be met that they consider to be absolutely necessary.

In order to achieve these goals, there were analysed the government financial statements of 2009², their compliance with national accounting standards for the public sector³, as well as the convergence of national rules with International Public Sector Accounting Standards (IPSAS)⁴.

In the public sector, the IPSAS 1 standard – "Presentation of Financial Statements" includes the following requirement: "Financial statements need not be declared as compliant with IPSAS unless they comply with all the requirements of each of the IPSAS".

Under these conditions in Romania we can talk more about a convergence of national norms with International Public Sector Accounting Standards, than about a harmonization or compliance with them. Some developing countries (for example, Slovakia) have opted for the direct method of implementing IPSAS, respectively have implemented IPSAS in its original form, with some small amendments or even no amendments at all. Other states have opted for the direct method

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of adopting IPSAS to achieve the highest level of credibility (for example, Switzerland)⁵.

The implementation of IPSAS in Romania was *eclectic*, namely a series of requirements were selected from a limited number of these standards. Romania has opted for *the indirect method* of implementing IPSAS, respectively the national accounting standards (the so-called norms) are elaborated based on the IPSAS provisions. One of the consequences of Romania's option for the indirect method of implementing IPSAS is the fact that very few people have studied IPSAS standards, even if they have been translated into Romanian.

Next we will only present the opinions of the first specialist (Alecua Georgeta) from the two listed above, who, in another article, went further with the issue of convergence of public accounting in Romania with IPSAS⁶.

Following the analysis performed by this specialist, it was found that although convergence with the most important IPSAS was achieved by selecting some of these requirements, there are still important omissions, which has an impact on the quality of information presented in the financial statements.

Below we present these omissions reported by the author of the analysis:

- *IPSAS 1*: The statement of financial performance is drawn up only at the level of a public institution, comprising *the grouping of revenues and expenditures by nature, not by Government functions*. Also, the information expressing the financial performance at the level of public institution *is not aggregated at the level of the Government*.

- *IPSAS 2*: The statement of cash flows prepared by Romanian public institutions based on the *direct method*, is in fact *a statement of balances of cash and cash accounts* and serves to reconcile with bank and treasury accounts. The standard requirement that cash flows exclude movements between items that constitute cash or cash equivalents is not met because these components are part of an entity's cash management and not of operating, investing and financing activities. This leads to an overestimated presentation of receipts and payments. Regarding the *indirect method*, it has not been taken over so far (at the time of the analysis made by this specialist) by national rules.

- *IPSAS 17*: The reevaluation is performed

according to the standard, for *the entire class which the asset that was revalued belongs to*. National rules do not require the revaluation of all items in a class at the same time, but the revaluation is performed on a case-by-case basis, when the carrying amount of the asset differs significantly from its fair value, which has the implications of presenting assets in the balance sheet at different values (acquisition cost, production cost, and fair value).

- For non-depreciable fixed assets, the treatment provided by the standard does not apply, but both increases and decreases in value increase or decrease the value of equity (funds of public or private assets of the state or administrative-territorial units). The national legislation exempts from the calculation of depreciation a series of assets, namely: the goods that belong to the public domain of the state or of the administrative-territorial units, the lands, the goods from the national cultural heritage, the goods of armament and fighting technique etc. For these goods, the expense/cost is fully recognized at the time of purchase (if purchased) or receipt (if built).

- *IPSAS 12*: The version of the standard at the time of analysis refers to the cost of agricultural production harvested from organic assets. In accordance with international accounting standards for agriculture, inventories represent the agricultural output that an entity has harvested from its biological assets, which can initially be measured at fair value less costs estimated to be sold at harvest. In addition, the Standard specifies the distribution of goods at no perceived value or at a nominal price (when a public sector entity may hold inventories whose future economic benefits or service potential are not directly related to their ability to generate net cash inflows).

- *IPSAS 19*: National rules have not taken over some concepts that the standard defines: implicit obligation, contingent asset, contingent liability, legal obligation, onerous contract, restructuring.

- *IPSAS 14*: National rules do not define events after the reporting date, nor do they present events that lead to the adjustment of financial statements, as well as events that do not lead to the adjustment of financial statements.

- *IPSAS 5*: The rules do not explicitly refer to the accounting treatment of the costs of loans, which must highlight whether those costs are



immediately recorded as expenses or whether they are capitalized when the costs of credit contracting can be directly attributed to the acquisition, construction or production of an asset. However, the basic accounting treatment applies whereby costs are immediately recorded as an expense.

Despite the fact that the Romanian Government prepares all the primary financial statements required by IPSAS, they do not represent a comprehensive set of financial statements, as they present some discrepancies in content.

These discrepancies were found by the specialist in the financial statements from 2009 and related to the following aspects: the information presented in the balance sheet is not correlated with the information in the annexes regarding cash, loans, revaluation of assets, surplus or deficit in accrual bases; both the accounting policies and most of the explanatory notes are missing from the government financial statements; transfers between government institutions are not eliminated; state-owned enterprises are included in the Government's statements neither on a consolidated basis, nor in the explanatory notes; there are no debts for pensions; government financial statements are only aggregated and not consolidated.

However, the real problem is the weaknesses and threats resulting from the introduction of IPSAS in public institutions in Romania.

In order to avoid these shortcomings and for the introduction of IPSAS in public institutions in Romania to achieve its proposed purpose, it would be useful to take the following measures⁷:

- *establishment of an interdepartmental organizing committee for the implementation of IPSAS or an independent institution to be responsible for training economic managers to understand the objectives and the transition process to IPSAS and to obtain broad support from the most important ministries.*

- *increasing the number of staff within the General Directorate of Accounting Methodology of public institutions within the Ministry of Public Finance and increasing the number of staff within the accounting departments of line ministries;*

- *development of the material base by making available to public institutions the standard computer programs by the Ministry of Public Finance;*

- *carrying out technical assistance programs*

and using the expertise of the private sector in the field of IFRS, given that IPSAS are very similar to IFRS;

- *involvement of the Romanian Court of Accounts in the implementation of IPSAS and organization of a complex program of professional training in the field of IPSAS for the specialists of this institution;*

- *communicating the need to adopt IPSAS to a wider audience, through all available means of communication (seminars, training courses, articles published in specialized journals, etc.).*

A very serious and systematic study was conducted a few years ago by a mixed team of university teachers from the Academy of Economic Studies in Bucharest and specialists from the financial audit and consulting KPMG firm, whose conclusions we refer to below.

The study referred to improving the transparency of reporting in the public sector in Romania⁸.

Specifically, the specialists sought to answer the following questions:

- How transparent are the decision-makers and the reporting processes in the town and city halls in Romania?

- What is the level of preparation and understanding of IPSAS by the staff of town and city halls in Romania and how is this level reached?

- What are the possible benefits and challenges of applying IPSAS in town and city halls in Romania?

- What are the implications of a possible application of IPSAS in town and city halls in Romania?

The main results of the study of these specialists were grouped as follows:

- 95% of the entities consider as important or very important to consult the citizens regarding their actions;

- Only 50% of the staff of the town and city halls in Romania is well or very well prepared in terms of IPSAS;

- 84% of respondents consider that IPSAS improve the trust and transparency of public reporting and, at the same time, the responsibility and comparability regarding of the reporting performed by these entities in terms of their costs and financial performance.



- 74% of respondents believe that the application of IPSAS will increase the relevance and transparency of their institutions' reporting.

Following the research carried out in this study, the authors drew a series of remarkable conclusions, from which we point out the following:

- there is a strong support for increasing transparency within the town and city halls in Romania;
- there is a strong support in the town and city halls in Romania regarding the application of IPSAS;
- most respondents are willing to participate in such programs and to seek advice and materials in this endeavor;
- a number of benefits and challenges related to the application of International Public Sector Accounting Standards in our country have been identified.

The respondents of the study consider that a possible application of IPSAS leads (in this order) to increasing the trust and transparency of public entities' reports, to increasing the responsibility for costs and financial performance of those institutions and to increasing the level of comparability of those entities' reports.

The main challenges mentioned (in this order) were: the difficulties in understanding and applying certain concepts within IPSAS, selecting the appropriate IPSAS treatments to reflect certain transactions and events, the differences between IPSAS and national regulations and training costs.

Finally, the study authors present the main conclusions and research directions.

Among the advantages of applying IPSAS, there were the following aspects: that they give an economic and financial vision to governmental and local public entities, that they ensure quality and consistency of public financial reports, that they reflect the transparency and effectiveness of public entities, that they are oriented towards a culture of performance⁹ or that they improve the functioning of internal control and transparency in the public sector, which ensures the provision of complete and more coherent information on expenditures and revenues and the presentation of more coherent and comparable financial statements over time and between different entities.

However, the costs generated by the adoption of IPSAS, respectively, training costs, consulting

costs or investments in information systems limit their application by entities¹⁰.

From Romania's perspective, the advantages of adopting IPSAS are the following: continuous improvement of the quality of financial statements of public institutions to provide relevant, credible information and, at the same time, to ensure comparability between reporting periods, but also between public entities in our country; ensuring a comparable reporting framework at country level, both for the private environment and for that of public institutions¹¹.

Although the advantages of adopting IPSAS are known, studies have also shown a high degree of heterogeneity in their application. Thus, in relation to the degree of adoption of IPSAS, specialists Robert and Colibert¹² identify four groups of countries:

- *Group 1* includes countries that have decided to adopt IPSAS and that have developed a public accounting reform program imposed or supported by the International Monetary Fund, the World Bank or the European Commission. Representative countries for this group are Albania, Algeria, Argentina, China, El Salvador, India, Fiji, Morocco, Slovakia, and Uruguay.

- *Group 2* includes countries that have initiated the program for the adoption of IPSAS and rules inspired by these standards. This group includes: Afghanistan, Azerbaijan, Hungary, Lebanon, Maldives, Norway, Cyprus, Cayman Islands, East Timor, Indonesia, Latvia, Mongolia, Pakistan, Vietnam, and the Netherlands.

- *Group 3* is represented by countries such as France, Italy, Japan, Israel, which have adopted since 2006 their new standards inspired by IPSAS.

- *Group 4* includes New Zealand, Australia, the United States, the United Kingdom, countries whose public accounting standards have already been aligned with IPSAS.

Also, among the results of the study carried out by Christiaens and other authors¹³ at the level of 17 European Union member countries (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Lithuania, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom - which is no longer part of the EU) remind us that Lithuania, Sweden and the United Kingdom applies IPSAS in a general way,



both at central and local government level; that in Belgium they are applied only at the local level, and France and Switzerland apply the IPSAS only at the central level.

In conclusion, we can say that at the level of the European Union, only 15 of the Member States have correlated their public sector accounting with IPSAS, either by developing national rules based or aligned with IPSAS, or by referring to IPSAS and their use in certain segments of local public administration.

Also, no Member State has fully adopted IPSAS for public sector accounting. The results of the public consultation on the adequacy of IPSAS for Member States, carried out by the European Commission (European Commission, 2012), highlighted the difficulty of applying IPSAS in its current form in the Member States, but also the fact that IPSAS is a relevant reference for preparation of public sector accounts harmonized at European level¹⁴.

In this context, the European Commission is considering the development of its own accounting rules, called European Public Sector Accounting Standards (EPSAS), which address the specific needs of the public sector in the Member States. Inspired by IPSAS, but subject to changes, additions or the elaboration of specific rules, EPSAS would be adopted by European regulations and would become the only accounting rules based on established rights applied by all significant public administration entities in Europe¹⁵.

It can be seen that these concerns exist in all states (world or EU), the approaches are different, the actions will continue, and our country is in line with this trend.

Conclusions from the study on the possibilities of extending the application of International Standards for the Public Sector (IPSAS) in public accounting in Romania and the Ministry of National Defence

We also conducted a study based on a questionnaire among 78 professional accountants who referred in particular to standards more directly related to the preparation of financial statements in public institutions, to identify other possibilities for even more pronounced alignment of national regulations to the requirements of the IPSAS, for

the benefit of public institutions and entities from the Ministry of National Defence, where these surveyed specialists were working at the time of conducting the research.

The questionnaire addressed the following standards that are more directly related to financial statements: *IPSAS 1 - Presentation of financial statements; IPSAS 2 - Cash flow statements; IPSAS 12 - Stocks; IPSAS 17 - Property, plant and equipment; IPSAS 24 - Presentation of budget information.*

From *IPSAS 1 - Presentation of financial statements*, the following issues were selected for the questionnaire: a) the composition of a complete set of financial statements for public institutions; b) the components of the statement of financial position of public institutions as part of the financial statements; c) the components of the financial performance statement of public institutions as part of the financial statements; d) the content of the notes to the financial statements of public institutions as part of the financial statements.

From *IPSAS 2 - Cash flow statements*, the following issues were selected for the questionnaire: a) the structure of cash flows for operating activities (or similar); b) the structure of cash flows for investment activities; c) the structure of cash flows for financing activities.

From *IPSAS 12 - Stocks*, the following issue was selected for the questionnaire: a) stock valuation in public institutions.

From *IPSAS 17 - Tangible fixed assets* the following issues were selected for the questionnaire: a) definition of tangible fixed assets; b) defining the patrimony assets; c) recognition and recording of the carrying amount of a fixed asset; d) depreciation methods that can be used for tangible fixed assets in public institutions; e) aspects that must be taken into account in determining the depreciable value of tangible fixed assets; f) the manner of recognition and registration of the life of a tangible fixed asset; g) the ways of reviewing the useful life, the depreciation method and the residual (or remaining) value of a tangible fixed asset in public institutions.

From *IPSAS 24 - Presentation of budget information*, the following issue was selected for the questionnaire: a) the way of presenting the budget of public institutions in the financial statements



The questions and answers offered to the respondents were for each of the issues selected from the above standards, the following: a) whether the current provision (which is concretely extracted from the national regulation and the standards listed above) of OMPF 1917/2005 fully satisfies the requirements of the IPSAS to which reference is made (YES / NO)? b) If it does NOT satisfy all or part of these requirements, which should be amended in OMPF no. 1917/2005 to satisfy the current option in the invoked IPSAS? c) Does not satisfy, must be modified (specify how) or I DO NOT KNOW HOW IT MUST BE MODIFIED.

Following the processing of the answers obtained from the 78 professional accountants, we

drew the conclusions that we present below and from which we selected an important part of these questions.

This study was attended by 78 professional accountants from army entities, of which: 75 (which represents 96.15% of the total respondents) are professionals hired by competition and certified by the Ministry of Public Finance; 12 of them (representing 15.38% of the total respondents) are former professional accountants, subsequently employed through competition in internal/managerial control structures or public internal audit; 9 of them (representing 11.54% of the total) are holders of the title of CECCAR certified accountant; 6 of them (7.69%) are holders

	Question 1) Do you currently have the quality of?	TOTAL	Percentages (%)
a)	Professional accountant employed through a competition or hierarchical promotion, but not yet certified by the Ministry of Public Finance	3	3,85%
b)	Professional accountant employed through a competition or hierarchical promotion and certified by the Ministry of Public Finance	75	96,15%
c)	Professional accountant employed through competition or hierarchical promotion, certified by the Ministry of Public Finance and holder of the title of expert accountant	9	11,54%
d)	Professional accountant employed by competition or hierarchical promotion, certified by the Ministry of Public Finance and holder of the title of expert accountant and financial auditor member of CAFR/ASPAAS	6	7,69%
e)	Professional accountant employed through competition or hierarchical promotion, certified by the Ministry of Public Finance and holder of the title of expert accountant, financial auditor member of CAFR/ASPAAS and tax consultant	3	3,85%
f)	Professional accountant employed by competition or hierarchical promotion, certified by the Ministry of Public Finance and holder of at least two or more professional titles (accounting expert, financial auditor member of CAFR/ASPAAS, tax consultant, expert evaluator ANEVAR, insolvency practitioner, other professional qualifications obtained from national or international bodies). Mention those qualifications held	6	7,69%
g)	Former professional accountant currently employed through competition or hierarchical promotion in internal/managerial control structures or internal public audit;	12	15,38%
h)	Specialist in other fields, employed through competition or hierarchical promotion in internal / managerial control structures or internal public audit	0	0,00%
	TOTAL	78	100,00%

(Author's conception)



of the title and CECCAR certified accountant and CAFR/ASPAAS certified financial auditor; 3 of them (that is, 3.85% of the total) have a triple quality of professionals in the economic-financial field (financial auditor, accounting expert and tax consultant).

It can be seen that currently most are professional accountants certified by the Ministry of Public Finance, according to the rules for accountants in public institutions, quite a few (that is, 15.38% of the total) have passed towards other areas related to accounting (internal/managerial control or internal public audit) and far fewer (between 3.85% and 11.54% of the total) hold

By age, most of the participants in this study (42 out of 78, representing 53.85% of the total respondents) aged between 40 and 49, followed by 36 professionals (representing 46.15% of the total) who are between 30 and 39 years old. It can therefore be seen that those who answered the questionnaire have significant experience in the field of the accounting profession in public institutions, and some even in the private sector for a number of years.

By sex, most women professional accountants participated in this study (45 out of 78, which represents 57.69% of the total respondents), which shows that in the accounting structures of military

	Question 2) What is your age?	TOTAL	Percentages (%)
a)	< 30 years;	0	0,00%
b)	30-39 years;	36	46,15%
c)	40-49 years;	42	53,85%
d)	over 50 years;	0	0,00%
	TOTAL	78	100,00%

(Author's conception)

	Question 3) What is your gender?		
a)	Male (M)	33	42,31%
b)	Female (F)	45	57,69%
	TOTAL	78	100,00%

(Author's conception)

	Comparing IPSAS 1 - Presentation of financial statements with OMPF 1917/2005, with subsequent amendments and completions, in connection with a complete set of financial statements for public institutions it is found:	TOTAL	Percentages (%)
a)	YES the current option to establish a complete set of financial statements according to OMPF 1917/2005 fully meets the requirements of IPSAS 1;	33	42,31%
b)	DOES NOT fully or partially meet the requirements of IPSAS 1 on a complete set of financial statements for public institutions and an option proposed by it should be adopted;	24	30,77%
c)	It does not satisfy, but I do not know how the OMPF 1917/2005 regulation should be modified;	21	26,92%
	TOTAL	78	100,00%

(Author's conception)

one, two or three of the titles of professional accountants (financial auditors, accounting experts or tax consultants certified by professional bodies - CAFR/ASPAAS, CECCAR, CCF), which may carry out such activities independently.

entities also women are those who embrace this profession more than men.

To the question regarding the extent to which the complete set of financial statements in Romanian legislation (OMPF no. 1917/2005, with subsequent

amendments and completions) corresponds or not to the requirements of IPSAS 1 - Presentation of financial statements, most respondents (33, which represents 42.31% of the total respondents) consider that the current national regulations in the field meet the requirements of IPSAS 1.

It should not be overlooked that there were also 24 professional accountants (representing 30.77% of the total) who said that the current national accounting regulations do not fully or only partially meet the requirements of IPSAS 1 and a fully compliant version should be adopted, and another 21 professional accountants (that is, 26.92% of the total) confirm that the current regulations do not meet the requirements, but they do not know what needs to be changed in our current regulations.

complete set of annual financial statements and see what else should be agreed on even better with the requirements of IPSAS 1 in this regard.

To the question regarding the extent to which the components of the notes to the financial statements for public institutions as part of the financial statements in Romanian legislation (OMPF no. 1917/2005, with subsequent amendments and completions) correspond or not to the requirements of IPSAS 1-Presentation of financial statements, many people (39 out of 78, representing 50% of all respondents) consider that the current national legislation in this field meets the requirements of IPSAS 1.

It should not be overlooked that there were also 21 professional accountants (that is, 26.92%

Comparing IPSAS 1 - Presentation of financial statements with OMPF 1917/2005, with subsequent amendments and completions, in connection with the notes to the financial statements of public institutions as part of the financial statements is found:		TOTAL	Percentages (%)
a)	YES the current option of establishing the components of the notes as part of the financial statements for public institutions according to OMPF 1917/2005 fully meets the requirements of IPSAS 1;	39	50,00%
b)	DOES NOT fully or partially satisfy the requirements of IPSAS 1 regarding the components of the notes to the financial statements of public institutions and a variant proposed by it must be adopted;	21	26,92%
c)	It does not satisfy, but I do not know how to amend the OMPF 1917/2005 regulation;	18	23,08%
TOTAL		78	100,00%

(Author's conception)

Comparing IPSAS 2 - Statements of cash flows with OMPF 1917/2005, with subsequent amendments and completions, in relation to the structure of cash flows as a component of the financial statements, it is found:		TOTAL	Percentages (%)
a)	YES the current option to determine the components of cash flows according to OMPF 1917/2005 fully meets the requirements of IPSAS 2;	27	34,62%
b)	It does NOT fully or partially meet the IPSAS 2 cash flow requirements and a variant proposed by it must be adopted;	33	42,31%
c)	It does not satisfy, but I do not know how to amend the OMPF 1917/2005 regulation;	18	23,08%
TOTAL		78	100,00%

(Author's conception)

It can be concluded that the Romanian regulatory authority (Ministry of Public Finance) needs to re-examine the composition of the

of the total) who stated that the current national accounting regulations do not fully or partially meet the requirements of IPSAS 1 on the notes to



Comparing IPSAS 12 - Stocks with OMPF 1917/2005, with subsequent amendments and completions, in connection with the valuation of stocks in public institutions, it is found:		TOTAL	Percentages (%)
a)	YES the current option of valuing stocks in public institutions according to OMPF 1917/2005 fully meets the requirements of IPSAS 12;	14	53,85%
b)	DOES NOT fully or partially meet the requirements of IPSAS 12 on stock valuation in public institutions and a variant proposed by it must be adopted;	5	19,23%
c)	It does not satisfy, but I do not know how to amend the OMPF 1917/2005 regulation;	7	26,92%
TOTAL		26	100,00%

(Author's conception)

the financial statements and a variant proposed by IPSAS 1. Another 21 accounting professionals (that is, 26.92% of the total) also confirm that the current regulations related to these components of the financial statements do not meet the requirements of IPSAS 1, but they do not know what needs to be changed in our current regulations regarding the content of these notes.

It can also be concluded for this question that the Romanian regulatory authority (Ministry of Public Finance) must re-examine the components of the notes to the financial statements and see

of the total) consider that the current national regulations in the field meet the requirements of IPSAS 2.

To this question, 33 professional accountants (representing 42.31% of the total) were of the opinion that the current national accounting regulations do not fully or partially meet the requirements of IPSAS 2 and a proposed version of this standard should be adopted, and other 18 professional accountants (that is, 23.08% of the total) confirm that the current regulations related to the components of these flows do not meet the

Comparing IPSAS 17 - Tangible fixed assets with OMPF 1917/2005, with the subsequent modifications and completions, regarding the definition of tangible fixed assets, it is found:		TOTAL	Percentages (%)
a)	The current definition of property, plant and equipment in OMPF 1917/2005 fully meets the requirements of IPSAS 17;	54	69,23%
b)	DOES NOT fully or partially satisfy the requirements of IPSAS 17 regarding the definition of body elements and a variant proposed by it must be adopted;	18	23,08%
c)	It does not satisfy, but I do not know how the OMPF 1917/2005 regulation should be modified;	6	7,69%
TOTAL		78	100,00%

(Author's conception)

what should be agreed on even better with the requirements of IPSAS 1 regarding this part of the financial statements.

To the question regarding the extent to which the structure of cash flows as a component of the financial statements of public institutions according to Romanian legislation (OMPF no. 1917/2005, with subsequent amendments and completions) corresponds or not to the requirements of IPSAS 2 - Cash flow statement, a significant part of the respondents (27 out of 78, which represents 34.62%

requirements of IPSAS 2, but do not know what needs to be changed in our current regulations.

We can draw the even more pressing conclusion from this question that the Romanian regulatory authority (Ministry of Public Finance) must re-examine as soon as possible the components of cash flows from the financial statements of public institutions and see what else needs to be further agreed with the IPSAS 2 requirements for these flows (detailing receipts and payments by major types of flows – operational, investment and

Comparing IPSAS 17 - Property, Plant and Equipment with OMPF 1917/2005, as subsequently amended and supplemented, on how the carrying amount of a fixed asset is recognized and recorded in the accounts shows:		TOTAL	Percentages (%)
a)	YES the current option of recording the value of fixed assets upon entry into the patrimony of public institutions according to OMPF1917/2005 fully meets the requirements of IPSAS 17;	21	26,92%
b)	DOES NOT fully or partially satisfy the requirements of IPSAS 17 regarding the recognition of tangible fixed assets and a variant proposed by it must be adopted;	21	26,92%
c)	It does not satisfy, but I do not know how to amend the OMPF 1917/2005 regulation;	36	46,15%
TOTAL		78	100,00%

(Author's conception)

financing and within them, by types of flows).

To the question regarding the extent to which the valuation of stocks in public institutions according to Romanian legislation (OMPF no. 1917/2005, with subsequent amendments and completions) corresponds or not to the requirements of IPSAS 12-Stocks, most of those surveyed (54 out of 78, which represents 69.23% of the total) consider that the current national regulation in the field meets the requirements of IPSAS 2.

However, there were also 18 accounting professionals (representing 23.08% of the total) who considered that the current national accounting regulations do not fully or partially meet the

flows do not meet the requirements of the standard we are referring to, but do not know what needs to be changed in our current regulations.

It can be concluded that for the most part our national regulations on stock valuation in the accounting of public institutions correspond to the variants presented in IPSAS 12 and, as a result, our profile authority (Ministry of Public Finance) can review certain nuances of finesse and not fund to better align the requirements of national procedures with the models presented in this standard (such as conversion costs; other costs such as: cost of overheads; costs of product design for certain customers, etc.).

Comparing IPSAS 17 - Tangible fixed assets with OMPF 1917/2005, with subsequent amendments and completions, regarding the depreciation methods that can be used for tangible fixed assets in public institutions, it is found:		TOTAL	Percentages (%)
a)	YES the current option on depreciation methods that can be used for tangible fixed assets in public institutions (actually only the straight-line method) according to OMPF 1917/2005 fully meets the requirements of IPSAS 17;	42	53,85%
b)	DOES NOT fully or partially satisfy the requirements of IPSAS 17 regarding depreciation options and a variant proposed by it must be adopted;	24	30,77%
c)	It does not satisfy, but I do not know how to amend the OMPF 1917/2005 regulation;	12	15,38%
TOTAL		78	100,00%

(Author's conception)

requirements of IPSAS 12 and a proposed version of this standard should be adopted.

Only 6 professional accountants (representing 7.69% of the total) confirm that the current regulations related to the components of these

To the question regarding if the definition of tangible fixed assets (tangible current assets) in public institutions according to Romanian legislation (OMPF no. 1917/2005, with subsequent amendments and completions) correspond or not



to the requirements of IPSAS 17 - Tangible fixed assets, most of those surveyed (54 out of 78, which represents 69.23% of the total) consider that the current national regulations in the field meet the requirements of the aforementioned standard.

This question was also addressed to 18 professional accountants (representing 23.08% of the total) who were of the opinion that the current national accounting regulations on the definition of property, plant and equipment do not fully or partially meet the requirements of IPSAS 17 and a proposed version of this standard should be adopted.

and registered at public institutions according to the Romanian legislation (OMPF no. 1917/2005, with subsequent amendments and completions) corresponds or not to the requirements of IPSAS 17 - Property, plant and equipment, about one third of respondents (21 out of 78, representing 26.92% of the total) consider that the current national regulations in the field meet the requirements of the aforementioned standard.

This question was also addressed to 21 other professional accountants (representing 26.92% of the total) who were of the opinion that the current

Comparing IPSAS 17 - Tangible fixed assets with OMPF 1917/2005, with subsequent amendments and completions, regarding the determination of the depreciable value of tangible fixed assets, it is found:		TOTAL	Percentages (%)
a)	YES the current option to determine the depreciation of tangible fixed assets according to OMPF 1917/2005 fully meets the requirements of IPSAS 17;	36	46,15%
b)	DOES NOT fully or partially meet the requirements of IPSAS 17 on the option to determine the depreciable amount of tangible fixed assets and a variant proposed by it must be adopted;	12	15,38%
c)	It does not satisfy, but I do not know how the OMPF 1917/2005 regulation should be modified;	30	38,46%
TOTAL		78	100,00%

(Author's conception)

Only 6 professional accountants (representing 7.69% of the total) confirm that the current regulations related to the definition of property, plant and equipment do not meet the requirements of the standard we refer to, but do not know what needs to be changed in our current regulations.

It can be concluded that for the most part our national regulations on the definition of property, plant and equipment in the accounting of public institutions correspond to the variants presented in IPSAS 17 and, as a result, our profile authority (Ministry of Public Finance) may review the definition of certain components of property, plant and equipment to agree even better on the national definitions with all the models presented in this standard (for example one of the conditions not to refer to the value above a certain threshold of these assets - as is currently the value of 2,500 lei, but according to what they are able to perform: production or supply of goods or services, rental to third parties or for administrative purposes).

To the question regarding whether the book value at which the fixed assets must be recognized

national accounting regulations do not fully or partially meet the requirements of IPSAS 17 and a proposed version of this standard should be adopted.

Many more (36 professional accountants, representing 11.54% of the total) confirm that the current regulations related to the definition of assets do not meet the requirements of the standard we refer to, but do not know what needs to be changed in our current regulations.

It can be concluded that, to a small extent do our national regulations on the carrying amount of fixed assets which must be recognized and recorded in public institutions correspond to the variants presented in IPSAS 17 and, consequently, our profile authority (Ministry of Public Finance) must take over several of the options presented in this standard regarding the issue under question (we believe that the carrying amount at which fixed assets should be recognized and recorded in public institutions should be that of IPSAS 17: the value at which a fixed asset is recognized is that after which it is deducted from the cumulative depreciation and

the cumulative impairment losses).

The question regarding if the depreciation methods that can be used for tangible fixed assets used in public institutions according to the Romanian legislation (OMPF no. 1917/2005, with subsequent amendments and completions) correspond or not to the requirements of IPSAS 17 – Tangible fixed assets regarding this aspect, the majority of respondents (42 out of 78, representing 53.85% of the total) consider that the current national regulations in the

depreciation than linear depreciation can no longer be accepted (such as digressive and production unit methods) and it can be accepted to take over more of the options presented in this standard regarding the issue under question.

When asked whether or not the determination of the depreciable values of tangible fixed assets used in public institutions according to Romanian legislation (OMPF no. 1917/2005, with subsequent amendments and completions) corresponds to the

Comparing IPSAS 17 - Tangible Assets with OMPF 1917/2005, with subsequent amendments and completions, regarding the revision of the useful life, depreciation method and residual (or remaining) value of a tangible fixed asset in public institutions is found:		TOTAL	Percentages (%)
a)	YES the current option to revise the useful life, depreciation method and residual (or remaining) value of a tangible fixed asset in public institutions under OMPF 1917/2005 fully meets the requirements of IPSAS 17	36	46,15%
b)	DOES NOT fully or partially meet the requirements of IPSAS 17 on the option to revise the life, depreciation method and residual (or remaining) value of a tangible fixed asset in public institutions and a variant proposed by it must be adopted	24	30,77%
c)	It does not satisfy, but I do not know how to amend the OMPF 1917/2005 regulation	18	23,08%
TOTAL		78	100,00%

(Author's conception)

field meet the requirements of the aforementioned standard regarding depreciation methods.

This question was also addressed to 24 other professional accountants (representing 30.77% of the total) who were of the opinion that the current national accounting regulations do not fully or partially meet the requirements of IPSAS 17 related to depreciation methods and a variant proposed by this standard should be adopted. A smaller number (12 professional accountants, representing 15.38% of the total) confirm that the current regulations related to the depreciation methods used in our country do not meet the requirements of the standard to the aspect we refer to, but do not know what needs to be changed in our current regulations.

It can be concluded that most of our national regulations on the methods of depreciating fixed assets must be recognized and recorded in public institutions, they correspond to the variants presented in IPSAS 17 and, consequently, our profile authority (Ministry of Public Finance) must, however, see whether other methods of

requirements of IPSAS 17 – Tangible fixed assets related to this aspect, a large part of respondents (36 out of 78, representing 46.15% of the total) consider that the current national regulations in the field meet the requirements of the above-mentioned standard regarding the determination of the depreciable value of tangible fixed assets.

There were 12 other professional accountants (representing 15.38% of the total) who were of the opinion that the current national accounting regulations do not fully or partially meet the IPSAS 17 requirements for determining the depreciable amounts of tangible fixed assets and other options proposed by this standard should be adopted.

Many more (30 professional accountants out of 78 respondents, representing 38.46% of the total) confirm that the current regulations related to the determination of depreciable values of tangible fixed assets do not meet the requirements of the standard to the aspect we refer to, but they do not know what needs to be changed in our current regulations.



It can be concluded that most of our national regulations on the determination of depreciable amounts of tangible fixed assets correspond to the variants presented in IPSAS 17 and, as a result, our profile authority (Ministry of Public Finance) should still examine whether they can no longer find other methods of determining the depreciable amount of these types of assets (such as the one in

used for tangible fixed assets, as permitted by this standard.

A little less (18 professional accountants out of 78 respondents, representing 23.08% of the total) confirm that the current regulations do not meet the requirements of the standard on the issue we are referring to, but do not know what needs to be changed in our current regulations.

Comparing IPSAS 24 - Presentation of budget information in the financial statements with OMPF 1917/2005, with subsequent amendments and completions, in connection with the presentation of the budget of public institutions in the financial statements is found:		TOTAL	Percentages (%)
a)	YES the current option of presenting the budget of public institutions in the financial statements according to OMPF 1917/2005 fully meets the requirements of IPSAS 24	36	46,15%
b)	DOES NOT fully or partially meet the requirements of IPSAS 24 on the current option of presenting the budget of public institutions in the financial statements and a variant proposed by it must be adopted	24	30,77%
c)	It does not satisfy, but I do not know how to amend the OMPF 1917/2005 regulation	18	23,08%
TOTAL		78	100,00%

(Author's conception)

which the residual value of such assets is taken into account) that are also accepted, in order to achieve a closer approximation to the requirements of this standard at this issue.

The question regarding the possibility of revising the useful life, the depreciation method and the use of the residual (or remaining) value for tangible fixed assets used in public institutions according to Romanian legislation (OMPF no. 1917/2005, with subsequent amendments and completions) corresponds to or not the requirements of IPSAS 17 – Property, plant and equipment in this respect, a large proportion of those surveyed (36 out of 78, representing 46.15% of the total respondents) considers that the current national legislation in this field meets the requirements of the above-mentioned standard on these issues.

To this question there were 24 other professional accountants (representing 30.77% of the total) who stated that the current national accounting regulations do not fully nor partially meet the requirements of IPSAS 17 related to the options for determining the life, depreciation method and whether or not the residual (or remaining) value is

It can be concluded that most of our national regulations on life, depreciation methods and the possibility of using the residual (or remaining) value for tangible fixed assets correspond to the variants presented in IPSAS 17, but it is still required that our profile authority (Ministry Public Finance) to examine whether other options for carrying out these operations can no longer be accepted; in order to achieve a closer approach to the requirements of this standard to this issue (a possible option would be to take into account the residual value of these assets provided in IPSAS 17 when determining their useful life and not a catalogue issued by the administrative authority with these durations, which is rarely reviewed and not based on scientific studies on the duration of use of such assets).

When asked whether or not the presentation of the budget of public institutions (in the sense of projection and execution) according to Romanian legislation (OMPF no. 1917/2005, with subsequent amendments and completions) corresponds to the requirements of IPSAS 24 – Presentation of budget information in financial statements, a large part of

those surveyed (36 out of 78, representing 46.15% of the total) consider that the current national regulation meets the requirements of the above-mentioned standard on these issues.

This question was also addressed by 24 other accounting professionals (representing 30.77% of the total) who were of the opinion that the current national accounting regulations do neither fully nor partially meet the IPSAS 24 requirements related to the presentation of the budget of public institutions (in terms of design and execution), as this standard admits.

A little fewer (18 professional accountants out of 78 respondents, representing 23.08% of the total) confirm that the current regulations do not meet the requirements of the standard on the issue we are referring to, but do not know what needs to be changed in our current regulations.

It can be concluded that most of our national regulations on the presentation of the budget of public institutions (in terms of projection and execution) correspond to the variants presented in IPSAS 24, but it is still necessary for our profile authority (Ministry of Public Finance) to examine whether other options for carrying out these operations may be accepted, in order to achieve a more pronounced approach to the requirements of this standard to this issue.

Conclusions

The research we conducted was part of the approach taken by various teams of professionals from the Ministry of Public Finance and researchers in our country to identify new possibilities for implementation and other provisions of IPSAS in public accounting in Romania, to shorten as much as possible the time needed to complete such a process in our country.

The implementation process of IPSAS and EPSAS must be a constant and sustained concern of the relevant public authorities in Romania (Ministry of Public Finance) and beyond, capitalizing in the most appropriate way the research results of various groups of specialists in our country and taking into account all aspects related to costs and managerial aspects of ensuring the success of such an action;

The suggestions and proposals resulting from the application of the questionnaire proposed by us among the professional accountants in the army, in the area of implementation of various new aspects

related to certain IPSAS, may be useful and worth considering, to give a configuration more appropriate to accounting regulations for public institutions in line with these relevant international and European standards;

We consider that certain simulations should be performed on a sample of public institutions with the new elements to be implemented by the Ministry of Public Finance, based on various research conducted in recent years on the implementation of new elements in IPSAS, in addition to already accepted, as was done in the period preceding the adoption of the current accounting regulations used in public institutions (we consider OMPF no. 1917/2005, with subsequent amendments and completions).

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