INTERFERENCES AND LIMITS OF THE ACCOUNTING POLICIES SPECIFIC TO FIXED TANGIBLE ASSETS INTO THE PUBLIC SECTOR ENTITIES IN ROMANIA

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ABSTRACT: The convergence and compliance process initiated at international level has influenced also the accounting system of the public sector entities from Romania. Taking into account the fact that the fixed tangible assets represent an important part of the total assets of the public sector entities, and therefore, they are indicative in presenting the financial position, by this essential research we structure the issue of the fixed tangible assets in terms of the accounting policies applicable into the public sector from Romania. By dual analysis, that is national regulations versus International Public Sector Accounting Standards, we identify the interferences and limits of the accounting policies specific to the fixed tangible assets from the public sector in Romania and we propose alternatives to answer the real needs of the national public sector entities. This research is based upon a synthesis of the ideas on this theme published into the professional literature, the regulations issued by the national and international accounting regulators, by organisms belonging to the accounting profession.

Key words: public sector entity, fixed tangible assets, accounting policies, International Public Sector Accounting Standards(IPSAS)

JEL codes:M 41, H 83

Introduction

The globalization process and the steps taken by Romania to acquire the status of full member of the European Union have embodied the premises of the accounting development of the public sector entities in accordance with the European and international (de)regulations. The new concepts, the issues related to professional reasoning and strategy, inspired by the International Accounting Standards for the Public Sector are only few of the innovator elements that have been a challenge both for the national regulators and the accounting professionals. Out of the accounting policies generating confusion and incertitude into the public sector, our option has been directed towards the accounting policies related to fixed assests. Starting with the two-dimensional analysis, national accounting regulations - International Accounting Standards for the Public Sector, we identify the interferences and limits specific to fixed tangible assets into the public sector from Romania and we draw a new vision of the accounting policies to answer the realities of the public sector entities from Romania.

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Research methodology

The undertaken research has as objective to emphasize the extent to which the accounting policies regarding the fixed assets into the public sector from Romania and the international ones interfere. This research is based upon a synthesis of the ideas on this theme published into the professional literature, the regulations issued by the national and international accounting regulators, by organisms belonging to the accounting profession.

To achieve the proposed objective, a fundamental research methodology has been used. Also, there have been used deductive and inductive mechanisms of research to delimit the concept of accounting policy, comparative analysis of the main concepts and accounting treatments related to tangible assets, as well as the critical analysis of the accounting policies regarding the fixed tangible assets applied into the public sector from Romania.

Conceptual approaches on the accounting policies

The definition of the phrase "accounting policy" stands on the classical approach of this concept. Policy is the total of aims and objectives driven by the social classes or groups in their fight for their interests, as well as the methods and means to achieve these aims and objectives (http://www.dexonline.news20.ro). Thus, we conclude that in terms of accounting, policy is the total of methods aiming at supplying financial information towards the users.

According to the Accounting Dictionary, the accounting policies represent the specific accounting bases continously used by an organization when drawing up the financial statements; these bases are considered and determined by the organization as the most appropriate for accurately displaying its earned incomes and financial operations.

The approaches of the concept of accounting policy are limited into the professional literature and they are circumscribed to the international accounting references.

In Nobes' (1999) view, the accounting policies are the detailed methods of evaluation, measuring and recognition which an entity has chosen out of those accepted by law, accounting standards or commercial practices. These policies should be continously used and they must be published.

In another view, Feleagă and Malciu (2002) consider that most of the meanings defining the concept of accounting policies lead to the realization of an accurate image.

In terms of the International Public Sector Accounting Standards (IPSAS 3 *Accounting policies, modifications of the accounting forecasts and errors*) and International Accounting Standards (IAS 8 *Accounting policies, modifications of the accounting forecasts and errors*), the accounting policies are the principles, bases, conventions, rules and specific practices adopted by an entity when drawing up and displaying the financial statements.

The national accounting regulations for the public sector do not define the accounting policies in a precise manner. From this point of view, the accounting policies are a set of proceedings set by the managing board of each public institution for all the undertaken operations, beginning with the supporting documents and up to the financial statements drawn quarterly and annually. Issued on the base of the accrual accounting principles, the accounting policies should ensure the supply of information through financial statements, and this information must be: relevant for the users' needs into the economic decision making; credible i.e. the information accurately describes the patrimony profit and the financial position of the public institution, it is neutral, safe, complete under all significant aspects. The modifications of the accounting policies are allowed only if they are required by law or they have as result the relavant or credible information related to the operations of the public entity and they shall be mentioned into the explanatory notes.

The analysis of the conceptual approaches on the accounting policies shows the fact that these interfere and act for sequential guidelines which have as final objective dissemination of coherent, relevant and credible financial information necessary to the user within the decision making process.

Identification of the interferences and limits related to fixed tangible assets into the public sector from Romania

The foundation for the identification of the interferences and limits specific to fixed tangible assets into the public sector from Romania is the dual analysis – national, international – from three-dimensional point of view: concept, accounting treatments and description of financial statements.

The comparative analysis of the concepts related to the fixed tangible assets shows their limitation into the public sector from Romania. The interferences and conceptual limits with reference to IPSAS 17 *Tangible assests* are presented below (Table no 1):

Table no 1

Interferences and limits regarding the concepts related to fixed tangible assets into the public sector entities

Elements	**IPSAS 17**	**National regulations**	**Interfe-rences**
➢ *Name*	Tangible assets	Fixed tangible assets	Partly
➢ *Definition*	Corporate elements that: -Are owned to be used within the production of goods or supply of services, in order to be let to third parties or to be used administratively; and -They might be used during many reporting periods	The object or complex of objects to be used and to cumulate the following conditions: the entry value higher than the limit set by Government decision and a normal period of usage longer than one year.	Partly
➢ *Patrimony assets*	They are included into this category through their cultural, historical or environmental meaning. Examples: historical buidings and monuments, archeological sites, preservation areas, natural reserves, pieces of arts. They have certain characteristics, including the following: their value in cultural, environmental, educational and historical terms is less probable to be totally reflected into a financial value based only on a market price; legal and / or statutory obligations could impose restraints or severe constraints upon assignation by sale; they are often irreplaceable and their value could raise time passing, even if their physical status fails; and it could be difficult to assess their useful life, which in certain cases might be of several hundreds of years.	The goods that by their nature are of national use or interest. For example, the following goods belong to the public property of the state: underground riches of any nature, in deposit state; national parks; natural reservations and monuments; statues and monuments of national public recognition; historical and archeological assemblies and sites; museums, art collections of national public recognition, etc.	Yes
➢ *A category of tangible assets*	A group of assets of similar nature or function within the operations of the entity that stands for an exclusive element to be presented into the financial statements.	-	No
➢ *Book value*	The value at which an asset is recognized following deductibility of any accumulated depreciation and of losses cumulated out of depreciation.	Entry book value of a fixed asset at its entry date into the public institution.	No

➢ *Cost*	The paid cash amount or cash correspondents or the equitable value of other counter-execution paid for obtaining an asset at its procurement or construction moment.	-	No
➢ *Equitable value*	The transaction amount of an asset or the deduction amount of a debt, of parties' own will, between informed parties within a transaction run in objective conditions.	The amount for which an asset could be exchanged between two informed parties, of their own will, within a transaction with objectively determined price. For the goods which have a market value, the equitable value is coincident with the market value. It is determined upon the report drawn by specialists and with the aproval of the credit manager or upon several assessments regularly performed by certified assessors.	Yes
➢ *Depreciation value*	The cost of assets or any other value substituted for the cost out of which the depreciation has been deducted.	The book value of the fixed tangible assets that has to be registered systhematically during the useful life.	No
➢ *The specific value of the entity*	The present value of the treasury flows which an entity expects to get out of the continuous use of an asset and its assignation at the end of its useful life or the value expected to occur when a debt is deducted.	-	No
➢ *Recoverable amount*	The highest amount out of the equitable value of an asset generating non-monetary flows minus the the sale costs and its usage value.	-	No
➢ *The recoverable amount of services*	The highest amount out of the equitable value of an asset generating non-monetary flows minus the the sale costs and its usage value.	-	No
➢ *The residual value*	The forecast value that the entity could obtain currently from the assignation of an asset following the deduction of estimated costs for assignation if the asset has already reached the expected age and condition relevant for the end of its useful life.	-	No
➢ *Depreciation*	Regular assignation of the depreciation value of an asset during its entire useful life.	-	No
➢ *Useful life*	Period of time when it is forecast the use of assets by the entity; either the number of production units or other similar entities estimated to be obtained by the entity based on the assets.	Period of time during which it is forecast the use of the assets under depreciation. Set according to the national regulations.	Yes
➢ *A loss out of the depreciation of an asset generating cash*	The value with which the book value of an asset overpasses its recoverable value.	-	No
➢ *A loss out of the depreciation of an asset generating non-monetary*	The value by which the book value of an asset overpasses its recoverable value of services.	-	No

flows			
➢ *Infrastructure assets*	Assets which generally have one or all of the following features: they belong to a system or network of assets; they are specialized in terms of their nature and they do not have alternative uses; they are fixed; and they stand for several coercions on assignation.	-	No

The two-dimensional examination of the concepts related to fixed assets shows the fact that only the patrimony assets and useful life interfere entirelly with the International Accounting Standards for the Public Sector. The discrepancies start with the name given by the national regulators, i.e. fixed tangible assets, whereas at international level, the established name is that of tangible assets taking into consideration the fact that the International Public Sector Accounting Standards (IPSAS) are inspired by the International Accounting Standards (IAS). Also, we notice the fact that the limitations are prevailingly embodied by the lack of concepts regarding the fixed tangible assets in national view (a category of tangible assets, the specific value of the entity, the recoverable value, the recoverable value of services, the residual value, a loss out of the depreciation of an asset generating cash, a loss out of the depreciation of an asset generating non-monetary flows, infrastructure assets), and also by the connotations given to the concepts by the accounting regulators from Romania (the definition of the fixed tangible assets, the book value, the depreciation value). The prevalence of the conceptual limitations regarding the fixed assets into the national public sector is reflected into the development of the professional reasoning and accounting treatments related to the fixed tangible assets.

In terms of the accounting treatments related to the fixed tangible assets into the public sector entities from Romania, we analyze the interferences and divergences with the IPSAS 17 *Tangible Assets* from the following perspectives: recognition, assessment, subsequent costs, methods of depreciation, assessment following recognition, depreciation and de-recognition (Table no. 2).

Table no. 2

Interferences and limits regarding the accounting treatments related to the fixed tangible assets into the public sector entities

IPSAS 17	**National regulations**	**Interfe-rences**
Recognition	*Registration moment*	
The cost of an element of tangible assets must be recognized as an asset if and only if it is expected that future economic benefits or possible services associated to the element should come to the entity; and the cost or equitable value of the element could be reliably assessed.	Fixed tangible assets are registered on the moment of the transfer of the property right for those procured by onerous title or on the date of issuing the documents for those built or manufactured by the institution, respectively received by voluntary title.	No
Assessment on recognition	*Primary assessment*	
An element of tangible assets which comply with the recognition conditions for an asset must be assessed upon cost. When an asset is acquired through another transaction than those of exchange, its cost must be assessed at the equitable value on the date of procurement. The cost components are: its procurement price, including the duties and nonrefundable sale taxes, after the commercial discounts and rebates are deducted; any costs directly assignable to bringing the assets to the location and status required for it to be exploited in accodance with the conditions forecast by the managing board; primary assessment of costs	The fixed assets must be assessed upon the procurement cost for those procured by onerous title; the production cost for those built or manufactured by the institution; the equitable value for those acquired freely.	Partly

with deallocation, element movement and rehabilitation of the place where the element stands, obligation that an entity is bearing either when the element is acquired, or as a consequence of the element usage during a period of time to other effect than to produce stocks during that period. For the tangible assets procured by exchange of assets or by exchange of some non-monetary assets, or a combination of monetary and non-monetary assets, their cost is evaluated at the equitable value except the case when the exchange transaction has no commercial contents or when neither the equitable value of the received assets, nor of the assets to be left could be reliably evaluated. The acquired element is assessed in that manner even if the entity could not recognize immediately the assets to be left. If the acquired element is not evaluated at its equitable value, its cost is assessed at the book value of the assets to be left.		
Assessment following recognition	*Subsequent expenses*	
In accordance with the recognition principle, an entity does not recognize the current carrying costs of the elements into the book value of an element of tangible assets. The cost of certain pieces of tangible assets which could require the replacement at regular periods of time, as well as the one of the general regular inspections, could be recognized into the book value of the element of tangible assets as replacement if the recognition criteria are met.	The subsequent expenses made with a fixed tangible asset following procurement, completion or receipt by voluntary title, which have as scope maintaining the functional parameters primarily established, are registered into the accounts of expenses when they are made. The subsequent expenses, which have as consequence the improvement of performances against the functional parameters primarily established or expending the useful life, and which lead to obtaining future economic benefits, will increase the cost of fixed assets.	Partly
Methods of depreciation		
The method of depreciation must point out the model according to which it is forecast the fact that the future economic benefits or possible services will be consumed by the entity. The applied method of depreciation must be examined at least on each annual reporting date and if there has been an important modification into the forecast model of consumption of future economic benefits or possible services incorporated into the assets, the method have to be changed to emphasize the modified model. Such a change should be registered as a modification of the accounting forecast in accordance with the IPSAS 3 *Accounting policies, modifications of the accounting forecasts and errors.* Use of one of the following methods of depreciation: straight-line method; diminishing-balance method; method of production units.	Fixed tangible assets are classified in accordance with their appurtenance into assets belonging to the public domain of the state, and assets belonging to the private domain of the state. There are depreciated only the fixed tangible assets which belong to the private domain of the state. Use of the straight-line depreciation method.	Partly
Assessment following recognition	*Re-assessment*	
The cost model implies that after recognizing as an asset, an element of tangible assets must be registered at cost minus any depreciation and losses cumulated from depreciation. The re-assessment model implies that after recognizing as an asset, an element of tangible assets whose equitable value could be reliably evaluated must be registered at the re-assessed value that is its equitable value on the date of re-assessment minus any depreciation further cumulated and any losses from the depreciation cumulated previously. Re-assessments must be done regularly enough to ensure that the book value is not significantly different from the one that	If following primary recognition as an asset, the value of a fixed tangible asset is determined on the basis of its re-assessment, the value resulting from re-assessment will be awarded to the asset, and not to the cost of procurement / production or any other value given before to that asset. In such cases, the rules regarding the depreciation will be applied to the asset taking into account its value, determined following re-assessment.	Partly

would be determined by using the equitable value on the date of reporting. The elements from a class of tangible assets are re-assessed simultaneously to avoid the selective re-assessment of the assets and reporting into the financial statements of several values that represent a combination of costs and values calculated on different dates. Nevertheless, a certain class of assets can be permanently re-assessed if this re-assessment could be done in a short period of time and if the re-assessments are permanently updated. The equitable value of the elements of tangible assets is generally determined from their market value by assessment. If there is not a market record of the equitable value due to the specialized nature of the tangible assets, an entity could need to estimate the equitable value using for example either the reproduction price, or the depreciated replacement cost or the approach of service units. The frequency of re-assessments depends on the modifications of the equitable value of the tangible assets that are re-assessed. On the date of re-assessment the accounting treatments are the following: - retreated proportionally to the modification of the gross book value of the asset, so that following re-assessment it should be equal with its re-assessed value. This method is used when the asset is re-assessed by applying an indicator to the depreciated modification cost; - eliminated from the gross book value of the asset and net value retreated at the re-assessed value of the asset. This method is used for buildings. The accounting treatments of the re-assesment results are the following: -if the book value of a class of assets is increased due to a re-assessment, this must be registered directly at the surplus from re-assessment. Nevertheless, the increase must be recognized into surplus or deficit to the extent that it takes a diminution of the re-assessment of the same class of assets previously recognized into the surplus or deficit; - if the book value of a class of assets is diminished as the result of re-assessment, this must be recognized into the surplus or deficit. Nevertheless, the diminution must be deducted directly from the surplus of re-assessment in accordance with any credit balance existing into the re-assessment surplus related to that class of assets. Increases and diminutions from re-assessment related to the individual assets within a class of tangible assets must be compensated among them into that class, but they must not be compensated in respect of the assets from different classes.	The re-assessment of the fixed tangible assets is performed in order to determine their equitable value, considering the inflation, the utility of the good, its status and the market price when the book value is significantly different from the equitable value. Since the 1st of January 2008, the fixed tangible assets such as constructions and lands belonging to the patrimony of the public institutions have been re-assessed at least every 3 years on the basis of the inflation communicated by the National Institute of Statistics for December of the previous year or by certified assessors in accordance with the legal regulations in force, the rsults of the re-assessment being entered into books up to the end of the year in which the re-assessment has been performed. Re-assessments must be done regurlarly enough so that the book value should not be substantially different from the one which have been determined by using the equitable value on the date of the Balance Sheet. The difference between the value resulted following re-assessment and the historical cost value must be entered at the reserve from re-assessment.	
Depreciation	*Adjustments for depreciation*	
To determine if an element of tangible assets is or is not depreciated, an entity applies IPSAS 21 *Depreciation of assets generating non-monetary flows*. According to this, an asset generating non-monetary flows is depreciated when its book value overpasses the recoverable value of the service. In determining the existence of a clue according to which an asset could be depreciated, an entity must analyse minimum the following indications: external sources of information (suspension or closeness to the moment of suspension, demand or need of services supplied by the asset; significant modifications on long term with worse effect upon the entity	The public entities can register adjustments for the depreciation of the fixed tangible assets at the closing of the accounting year, on account of the expenses. The depreciation can occur into the following situations: physical degradation of the asset; suspension or closeness of suspension of demand or need of services supplied by the assets; the good is unusable or must be assigned; there is a decision to stop the construction of an asset before	Yes

which have taken place during the period or will take place in the near future within technological, legislative or governmental policy domain where the entity is operating); internal sources of information (there are evidences on the physical degradation of the asset; significant modifications on long term with worse effect upon the entity which have taken place during the period or will take place in the near future and have affected the degree of use or the manner in which the asset is used or is forecast to be used; a decision to stop the construction of an asset before completion or commissioning; there are available evidences from the internal reporting that indicate that the performance of services of an asset is or will be much inferior to the forecast). If any of the indications is present, an entity must perform an official estimation of the recoverable value of the service. If there is no indication of a potential depreciation, the standard does not impose to an entity to perform a formal estimation of the recoverable value of the service.	completion or commissioning; its performance into supplying services is inferior to the forecast one; modifications of technology or legislation within the field.	
De-recognition	*Exploitation and removal from operation*	
The book value of an element of tangible assets must be de-recognized: on assignation; or when economic benefits or possible services are forecast following its use or assignation. The gain or loss resulting from de-recognition of an element of tangible assets must be included into the surplus or deficit when the element is de-recognized (except the case when IPSAS 13 *Leasing contracts* states otherwise within a sale of a leaseback). The gains should not be classified as revenues. Assignation of an element of tangible assets could take place in several manners (for example, by sale, by concluding a contract of financial leasing or by donation).	According to regulations in force, there can be submitted without payment any kinds of goods in functional state, regardless of the period of usage, administration, but which can be still used by another entity or if, according to the regulations in force, the entity has no right to use that good. The public institutions can exploit the goods also by their exchange with other new similar goods, having at least the same parameters. In this case the goods exploited by exchange could represent either payment or part of payment liable for the new goods that are procured in accordance with the regulations regarding the public acquisitions.	Yes

The analysis of interferences and limits regarding the accounting treatments related to the fixed tangible assets shows the relative prevalence of interferences. Though overall the accounting treatments presented by IPSAS 17 *Tangible assets* are retrieved entirely or into an adjusted form into the national accounting regulations, their deep analysis shows the following divergences: recognition into the cost of the assets only of the subsequent expenses which have as consequence the improvement of performances against the functional parameters primarily established or expending the useful life, and which lead to obtaining future economic benefits; sole existence of the straight-line depreciation method; absence of reasoning in choosing the method of depreciation i.e. the manner in which it is forecast the consumption of future economic benefits or possible services by the entity, and implicitly absence of its review on the date of the financial reporting; the absence of the exchange of assets; the absence of options regarding the assessment following recognition; re-assesment of some categories of fixed tangible assets through the coercive power of the regulations. A significant limitation of the accounting treatments against the fixed tangible assets is represented by the moment of their recognition. Thus, in comparison with the international view including the general criteria of assets recognition and emphasizing the prelevance of economy against legal domain, from the national point of view the legal domain is prevalent.

Also, an element limitating the international connotation of the accounting treatments regarding the fixed tangible assets is the use of various translations for conveying the same contents. In this respect, Table no 2 displays a series of terminological disparities (recognition / moment of registration, assessment on recognition / primary assessment, assessment following recognition / subsequent expenses, assessment following recognition / re-assessment, depreciation / adjustments for depreciation, de-recognition / removal from operation), able to raise a question mark both for the Romanian accounting regulators and the accounting professionals.

The limitation of accounting concepts and treatments in respect of fixed tangible assets has also impact upon the information display into the financial statements (Table no. 3).

Table no. 3

Interferences and limits regarding the financial reporting of the fixed tangible assets into the public sector entities

IPSAS 17	National regulations	Interfe-rences
The following information must be presented for each class of tangible assets: the assessment bases used for determining the gross book value; the used methods of depreciation; the useful life periods or the used depreciation rates; the gross book value and cumulated depreciation (together with the losses cumulated from the depreciation) at the beginning and end of period; and a reconciliation of the book value at the beginning and end of period, pointing out: the entries; the assignations; the acquisitions resulted from the combinations of enterprises; the increases or diminutions resulted from re-assessments and from losses from depreciation (if any) recognized or retaken directly into the net assets / equity in accordance with IPSAS 21 *Depreciation of the assets generating non-monetary flows*, the losses from depreciation recognized into the surplus or deficit in accordance with IPSAS 21; the losses from depreciation retaken into the surplus or deficit in accordance with IPSAS 21; the depreciation; the net exchange differences resulted from the conversion of financial statements from the functional currency into a different currency, including the conversion of a foreign operation into the currency of the entity reporting also other modifications. Also, there are required information on: the existence and values of restrictions upon the securities and tangible assets submitted as securities for the debt guarantees; the value of expenses recognized into the book value of an element of tangible assets during its construction; the value of contractual agreements for the procurement of tangible assets; and the value of compensations from third parties for the elements of tangible assets which have been depreciated, lost or left, value that is included into the surplus or deficit if it is not presented separately into the proper statement of the financial performance. Presenting the adopted methods of depreciation and the estimated useful life periods or the rates of depreciation offers to the users of the financial statements information allowing them to analyse the policies chosen by the managing board and to make comparisons with other entities. For the same reasons, it is necessary to present the following information: depreciation, regardless of the fact this is recognized into the surplus or deficit or it is recognized as part of the cost of other assets during a period of time; and depreciation cumulated at the end of the period. If a class of tangible assets is given at re-assessed values, the following information should be presented: the date when the re-assessment has come into force; if an independent assessor has been or not involved; the significant methods and hypotheses applied for determining the equitable value of the assets; the extent to which the equitable values have been directly determined in relation to the noticeable prices on an active market or the recent transactions on the market that have taken place within objective conditions or they have	They display into the financial statements the instructions for completing the information regarding the fixed tangible assets. They precisely give information on the contents of the explanatory notes. Thus, the explanatory notes must present for each group of tangible assets the value of the expenses performed for current fixed tangible assets. For each group belonging to the category of tangible assets, the following information must be supplied: the values related to that element at the beginning and closing of the financial year; and the movements regarding the element made by: modifications of the value during the financial year; entries of assets during the financial year; exits of assets during the financial year.	Partly

been estimated by using other techniques of assessment; the surplus from the re-assessment, indicating the modification for the relevant period and any other restrictions regarding the distribution of the balance towards the stockholders or other owners of capital equity; the total amount of surpluses resulted from re-assessment for the individual elements of tangible assets belonging to that class; and the total amount of the deficits resulted from re-assessment for the individual elements of tangible assets belonging to that class. The users of the financial statements could also consider relevant for their needs the following information: the book value of a worn-out asset; the gross book value of any tangible asset completely depreciated which is still in use; the book value of the tangible assets removed from operation and held in order to be assigned; when the cost model is used, the equitable value of the tangible assets when this one is significantly different from their book value.		

The two-dimensional examination of the financial reporting of the fixed tangible assets emphasizes the fact that, unlike IPSAS 17 which exhaustively presents the information on the tangible assets to be included into the financial statements, taking into consideration their relevance for the users of the financial statements, the national accounting regulations are limited to the enumeration of several elements. The limitation of financial information in respect of fixed tangible assets into the public sector from Romania is argued also by ignoring certain elements like: presentation of the taken depreciation methods, the forecast useful life, the depreciation rates; the book value of an out-of-use tangible asset; the gross book value of any tangible asset completely depreciated which is still in use; the book value of tangible assets removed from active operation and kept in order to be assigned; the equitable value of tangible assets when it is significantly different from their book value.

Conclusions

The research shows the fact that at national level the interference of the accounting policies related to fixed tangible assets with those adopted at international level is limited at conceptual level and relative in terms of the accounting treatments and financial reporting of the fixed tangible assets.

The limitation of the accounting policies related to the fixed tangible assets into the public sector from Romania is also increased by the general confusions generated by the usage of various terms for conveying the same contents, limitating therefore the comprehensivity and adoption of the accounting policies by the entities. Also, we consider that the absence of the accounting options concerning the fixed tangible assets from the national regulations shows the restriction of the professional reasoning in accordance with the types of the public sector entities, with negative impact on the capacities of the entities to answer the public's expectations in terms of quality, cost and opportunity.

With reference to the present time, we estimate that the accounting policies on the tangible assets into the public sector from Romania must be substantiated by the professional reasoning and approached into an exhaustive, comprehensive and flexible manner. In this respect, we consider that the accounting regulators should uniformly complete and redefine the key concepts for the clearness and usability of the accounting policies related to the tangible assets, they should include other methods of depreciation so that the entity should choose the method to estimate the consumption of the future economic benefits by the entity, they should agree on both models of assessment, eliminate the coercive approach regarding the categories of tangible assets and the period of re-assessment and resize the information displayed into the financial statements taking into consideration the fact that the information is relevant for users into the decision making process.

Acknowledgement

This work was supported by CNCSIS–UEFISCDI, project no.955/19.01.2009 PNII – IDEI, code ID_1827/2008, *Panopticon on the performance connotations in the public sector entities in Romania – creation versus*

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