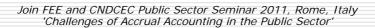
Public sector accounting Romania status 2010

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CECCAR The Body of Expert and Licensed Accountants of Romania

- is the organization representing the Romanian accountancy profession, autonomous, nongovernmental, non- profit and of public interest.
- a remarkable development at national level, CECCAR is represented in all Romania's 42 counties, by its territorial branches.
- CECCAR members are represented by more than 50 000 accountancy professionals. About 10 000 of these professionals work in public practice, and the others in industry, trade, education, etc

content

- Bases of accounting in the public sector
- ☐ Financial statements
- IPSAS
- □ Romanian regulation
- Practical problems faced in implementing accrual accounting



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Bases of accounting in the public sector

- □ Accounting law no.82/1991 republished
- □ Public finances law no.500/2002.
- Starting with 1 January 2006, all Romanian public institutions (about 11.000) at all levels (local and central)
- ☐ Financial statements accrual base
- Budget cash base



Financial statements - accrual base

- National regulations
- □ IPSAS convergence
 - Some elements of IPSAS are in NR (IPSAS 1,2,3,4,5)
 - Some others are planed for next periods
 - Some of them are missed, no near future intention
 - consolidation issues (IPSAS 6,7,8,15,25)
 - pension costs/employee benefits,
 - non-exchange revenue,
 - accrual budgeting.



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IPSAS in Romanian language

- ☐ In order to help the Romanian accounting specialists to know the best international accounting practices for the public sector,
- □ CECCAR The Chartered Accountants Body from Romania translated into Romanian language in April 2005 the International accounting Standards for the public sector, issued by the IFAC, and in December 2009 the new version
- ☐ CECCAR represents the accounting profession of Romania



Finance Ministry Reg. 1917/2005

- □ a new general chart of accounts with:
 - Budget accounts reflects the result of budget execution on a cash base
 - General accounts reflects assets, liabilities, owner's equity, charges and revenues on a accrual base
- ☐ All public institutions, independently of the subordination of financing mode have the responsibility to organize double entry accounting using the accounts prescribed in the new general chart of accounts



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The new chart of accounts

Class 1 Capitals Class 2 Fixed assets Class 3 Inventories

Class 4 Tiers Class 5 Treasury

Class 6 Charges Class 7 Revenues and finances

- According with
 - Financial Rule applicable to the general budget of EC no.1605/2002, chapter "Accounts and accounting",
 - Romanian General chart of accounts for private sector and for non profit entities
- Each class is developed in groups of accounts, that are developed in synthetic accounts
- ☐ The synthetic accounts are developed in analytical accounts according with the public institution particularities Join FEE and CNDCEC Public Sector Seminar 2011, Rome, Italy

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Practical problems faced in implementing accrual accounting

- LGA specific (3.044: 41 county, 276 towns, 2.727 comm.)
- IT small size LGA communes
 - from single to double entry, from manual to electronic
- importance to convince management at the top
 - new activities (PPP, EU funds, bonds...)
 - supplementary costs
 - IT investments
 - accountants training (IT, accrual accounting)
 - how to read the new set of financial statements
- Court of accounts auditors
 - Training accrual accounting

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Thank you for attention,

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