National and International Norms on Accounting Policies and Procedures Applicable to Amortizable Tangible Fixed Assets. Impact on Patrimonial Result

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***Abstract**: Choosing the accounting policies on amortizable tangible fixed assets influences the value of certain indicators in financial reports, namely the balance sheet or the patrimonial result account. The decisions regarding accounting policies have a direct influence on the value of the tangible fixed assets in the balance sheet and an indirect one on the result of a public institution. The result of the institution is influenced by the amortization expenses, the expenses on the depreciation of tangible fixed assets and, possibly, the revenues from resuming the depreciation of the tangible fixed assets. The ratio of the indicators mentioned at a certain point, as well as their trend is particularly important for the users of such information.*

The work presents a parallel between the provisions of the national norms on the organization and conduct of accounting in public institutions and the International Public Sector Accounting Standards referring to the accounting policies applicable to amortizable tangible fixed assets. Furthermore, the paper describes the manner in which choosing a method, rule on tangible fixed assets influences the result of a public institution.

***Keywords**: tangible fixed assets, accounting policies, recognition, subsequent evaluation, amortization, de-recognition*

1. Introduction

As Ristea and Jianu were writing, the increasingly more acute need for information in the public sector, as well as the need to provide comparable and transparent information resulted in the development and spreading of the International Public Sector Accounting Standards (IPSAS).[1]

The IPSAS were drawn up by the International Public Sector Accounting Standards Board and are mainly aimed at establishing the criteria for the recognition, evaluation, description and presentation of the information regarding transactions and events in financial reports with a general purpose.

Applying these standards isn't compulsory, but only recommended, as Tiron says – Tudor [2], and in case it is done, it will lead to a significant improvement in the quality of financial statements published by public institutions and, consequently, to a more informed evaluation of the decisions affecting the state resources, which will boost transparency and responsibility. [3]

In Romania, the development of accounting in the public sector was initiated in 2002 and imposed on all public institutions in 2005 [4] through the adoption of the Order of the Public Finance Minister No. 1917/2005 on the approval of the Methodological norms on the organization and conduct of public institutions accounting, the Plan of accounts for public institutions and its implementing instructions. Some of the IPSAS provisions were taken over in the aforementioned order.

Starting 2010, the public institutions of Romania must establish accounting policies that must observe the accounting legislation, the fiscal legislation and the one specific to the activity area. Taking into account the provisions of the accounting law No. 82/1991, the public institutions have drawn up accounting policies, approved by the credit release authorities.

When the legislation in force doesn't stipulate a clear rule that must be applied to a transaction, the management of the public institution exerts its professional judgment to draw up an accounting policy. Implementing the accounting policies, thus drawn up, must result in relevant and reliable information for their users in making decisions. The information reliability consists of accurately reflecting the financial position, the financial performance and the treasury flows of the public institution, reflecting the economic ground of the transactions and not just the juridical one, being neutral, prudent and complete.

The current paper presents the convergence and divergence between the national norms of organization and conduct of public institutions accounting, hereon called national norms, and the International Public Sector Accounting Standards concerning the accounting policies applicable to amortizable tangible fixed assets. Moreover, it stresses the impact on the result that the choices made by public institutions managers in respect to the accounting policies have. The importance of studying the impact of the accounting policies on the result consists of the fact that the latter shows the financial performance of the public institution and is an indicator influencing certain decision making.

To analyze the accounting policies applicable to tangible fixed assets, a normative research was conducted by carrying out an assessment of the IPSAS 17 "Property, Plant and Equipment" provisions, in relation to the national accounting norms referring to the accounting policies applicable to amortizable tangible fixed assets. The tangible fixed assets are elements holding a significant share in the total of assets owned by a public institution in Romania, thus their value presented in the balance sheet has a special importance in making decisions. The value presented in the balance sheet is influenced by the accounting policies adopted by the management of the public institution.

2. Accounting policies and procedures applicable to amortizable tangible fixed assets

The accounting policies represent the specific principles, grounds, conventions, rules and practices implemented by an entity in drawing up and presenting financial reports. [5]

The tangible fixed assets are, according to the IPSAS 17, tangible elements held in view of using to produce or supply goods or services, to be let to third parties or to be employed for administrative purposes, and they are planned to be used over several reporting periods.

The national norms point out that the tangible fixed assets are the item or complex of items that are used as such and that altogether meet the following requirements: have an entry value higher than the limit established by Government Decision and a normal use length higher than one year.

The Romanian public institutions accounting highlights both the amortizable tangible fixed assets and the non-amortizable tangible fixed assets. Basically, the tangible fixed assets in the private domain of the state, the territorial-administrative units, the private property of the public institutions, and which are not lands, are amortizable. Amortization means the inclusion of a part of the initial value of a tangible fixed asset in the expenses of the public institution until the full recovery of the investment, namely in the period the asset is used.

The tangible fixed assets not submitted to amortization are:

- the goods belonging to the public domain of the state and the administrative-territorial units, according to law, including the investment made on them;
- the tangible fixed assets in the patrimony of the public services of local interest conducting economic activities, which physical and moral use is recovered through tariff or price, according to law;

- the tangible fixed assets that are being preserved, as well as the mobilization reserves that are highlighted in accounting as tangible fixed assets;
- lakes, pools and ponds that are not the result of an investment;
- lands;
- national cultural heritage goods;
- goods used based on a lease contract;
- goods in the category of armament and battle technique.[6]

The accounting policies specific to tangible fixed assets are related to their recognition, evaluation, depreciation and de-recognition.

2.1. Depreciable tangible fixed assets recognition

The recognition of a patrimonial item represents its assignment, depending on certain criteria, to a particular category of property or expense items and the presentation of information regarding it in the balance sheet or in the patrimonial result account.

With respect to the recognition of tangible fixed assets, both the national norms and the IPSAS 17 "Property, Plant and Equipment" stipulate that asset items meet the following criteria: the future economic benefits should go to the public institution and the cost should be able to be assessed in a reliable manner.

Future economic benefits are reflected either in increasing revenue or service potential, or in reducing maintenance and operating costs, as stipulated by the domestic norms.

Divergences between international accounting standards for the public sector and national norms refer to the minimum value, cost or fair value that an asset must have when entering the public institution's patrimony. The international standards do not provide for an initial minimum value for tangible fixed assets, whereas the national norms specify in their definition that they must have a value higher than that established by Government Decision, namely RON 2,500. Thus, the accounting policies of public institutions in Romania must specify the rules according to which an item or a complex of items can be regarded as tangible fixed assets.

2.2. Amortizable tangible fixed assets evaluation

The process of evaluating tangible fixed assets is also important because the amount of the monthly amortization, inventory or revaluation differences, the value at which they will appear in the balance sheet are determined based on the initial value of the goods.

Establishing the initial value of tangible fixed assets is made upon the acquisition cost, production cost or fair value, depending on how the good is acquired.

In most cases tangible fixed assets are either purchased or obtained free of charge by public institutions, so that establishing the acquisition cost or fair value has a major impact on the balance sheet value of tangible fixed assets.

National norms do not provide any further explanation regarding the cost of acquisition, but only mention as cost elements: the purchase price, the irrecoverable taxes from the taxation authorities, the transport costs, the handling costs and other expenses directly attributable to the purchase of the asset. Commercial discounts are not part of the purchase cost according to the same norms.

Public institutions, using professional judgment, must determine through accounting policies, depending on the specific nature of the activity carried out, which are the other costs directly attributable to the acquisition.

Unlike national rules, the IPSAS 17 "Property, Plant and Equipment" provide users with examples of costs that may be part of the acquisition cost, such as: site fitting costs, installation and assembly costs, costs of testing the correct operation of the asset, professional fees. Also, according to the same international accounting standard, dismantling, removal and site restoration costs are part of the initial value of a tangible fixed asset.

The fair value of tangible fixed assets received free of charge is the market value of the assets traded on an active market.

National rules specify that the fair value is determined by specialists, with the approval of the credit release authorities, or by authorized evaluators. The authorized evaluators are the persons recommended by the IPSAS 17 to determine the fair value of a tangible fixed asset.

There may be cases in which the tangible fixed assets acquired free of charge are not traded on an active market and the fair value, at their initial evaluation, is difficult to determine. Both national and international accounting standards for the public sector do not have clear provisions for determining the fair value of such assets in the case of valuation upon recognition. Therefore, public institutions in Romania should, through accounting policies, lay down rules for determining the fair value of tangible fixed assets that are not traded on an active market.

The evaluation of tangible fixed assets after recognition may be done based on the cost model or the reevaluation model as required by national and international norms. Once a valuation model is chosen for after the recognition of tangible fixed assets, it should be applied to the entire class of goods and consistently from one financial year to the next.

National rules require the reevaluation of buildings and land at least every three years, so that through accounting policies, Romanian public institutions should provide further valuation rules for other tangible fixed assets, except for land and buildings.

The cost model entails the evaluation of tangible fixed assets at their cost minus any accumulated amortization or depreciation.

The reevaluation model entails, according to national accounting norms, the determination of the value of tangible fixed assets by authorized evaluators or by a technical committee appointed by the credit release authority. International standards only recommend authorized evaluators.

Following the reevaluation, the tangible fixed assets will acquire a fair value. The national norms on the reevaluation of fixed assets present the determination manner only if it is done by an internal technical committee. In this situation, the consumer price index is used. Regarding the fair value set by authorized evaluators, national norms mention that it will be the market value for goods that have it and do not present details related to assets that are not traded on an active market. The IPSAS 17, however, provide clarifications on the fair value of goods for which there is no available evidence to determine their market value. Thus, the fair value of a plot of land can be determined by the value of another plot of land with the similar topography and features, in a similar location, which has a market price. The fair value of other tangible fixed assets in respect to which there is no evidence to establish the market price can be estimated based on replacement or restoration costs.

The value of depreciable tangible fixed assets resulting from revaluation is substituted with their cost.

2.3. Tangible fixed assets amortization

The amortization represents registering a part of the amortizable value of the tangible fixed asset in the monthly expenses over its entire useful life.

The amortizable value of a tangible fixed asset is presented differently. In accordance with national norms, it is the accounting value or the value resulted from the reevaluation in the case of goods submitted to the reevaluation process, however, according to the IPSAS 17, the amortizable value is the cost of an asset, namely the initial value, or another value replacing the cost, minus the residual value of the asset. The residual value represents the amount the institution could obtain from ceding the good minus the estimated costs for ceding it. In addition, the IPSAS 17 come with the clarification that, in practice, most of the times the residual value is zero. In such a situation there would be no divergence between national and international norms on amortizable value.

Divergences arise on when the amortization begins to be registered in accounting. National norms provide that the amortization of a tangible fixed asset is recorded from the month following reception or putting into service, while international standards state that the amortization begins when the tangible fixed asset is available for use.

Determining the useful life of a tangible fixed asset, according to the international accounting standards for the public sector, requires the professional judgment of the public institution and its experience with other similar assets. The useful life is the period the asset is used, which must be reviewed at least at each report draw-up.

The useful life of a newr tangible fixed asset, according to national norms, is the tax amortization period, established by Government Decision. Accounting policies can only specify a useful life augmented or reduced by up to 20 percent for a tangible fixed asset category.

In the case of tangible fixed assets with an expired lifetime, a technical committee sets a new duration, with the approval of the credit release authority, but no more than 20 percent of the initial useful life. In the case of purchased tangible fixed assets for which the portion of the useful life in which it was used is unknown, a new useful life is set by a technical committee with the approval of the credit release authority.

As far as the amortization method is concerned, the national norms provide a single method, namely the linear method, and the IPSAS 17 recommend three methods: the linear method, the digressive method and that of the production units. Choosing the amortization method should take into account the expected rate of consuming the economic benefits or the service potential of that asset [7] and should be reviewed at least at each reporting period. If the amortization method no longer reflects the consumption rate of the economic benefits or service potential of the asset, then it should be changed and the change should be treated as a change in the accounting estimate.

Once chosen, the amortization method is used consistently except for case with the change in the consumption rate of the economic benefits or the service potential of the asset subject to amortization.

According to the international accounting standards for the public sector, both the choice of the tangible fixed assets amortization method and the useful life require professional judgment and represent options for the institutions.

2.4. Tangible fixed assets depreciation

The depreciation of amortizable tangible fixed assets represents the value loss over the value systematically assigned during the useful life, namely amortization.

The national norms provide that the depreciation of a tangible fixed asset can come up in the following cases: the physical deterioration of the asset; the cessation or near cessation of the demand or need for services supplied by the asset; the good will be unusable or must be ceded; there is a decision to stop the construction of an asset before completion or putting into operation; its performance in service supply is below the targeted one; there are technology or legislation changes in the area. [8]

The IPSAS 21 “Impairment of Non-Cash- Generating Assets” and the IPSAS 26 “Impairment of Cash-Generating Assets” define the depreciation of tangible fixed assets as a loss from the future economic benefits or service potential of an asset in addition to the systematic recognition of the loss of future economic benefits or potential of the asset through depreciation (amortization). [9]

The frequency for identifying the depreciated tangible fixed assets is once a year, at the end of the financial exercise, according to the national norms, and at each reporting period, according to the international standards.

The value of the tangible fixed assets depreciation is established, according to national norms, when a specialist committee appointed by the credit release authority makes an inventory of the goods. The committee members must establish the current value of the tangible fixed assets depending on their state, the physical and moral level of usage and the market value. However, there aren’t any specific rules on how to determine the current value for the goods that aren’t traded on an active market. In this case the professional judgment of the committee members and the manner of establishing the current value of such goods must be mentioned in the accounting policies and procedures of the institution.

The IPSAS 21 and the IPSAS 26 provide that the tangible fixed assets depreciation can be established depending on certain external and internal data. The external data the standards make reference to are:

- if the market value has significantly dropped below it was forecast due to the passage of time;
- if there have been or there will be in the near future modifications in the economic, technologic, juridical, commercial environment in which the institution is conducting its activity, with a negative effect on it;
- if the interest rates on the market or the market rates of investment profitability increased in the respective period leading to a decline in the recoverable value of the asset.

The internal data which must be taken into account in establishing the value depreciation of a tangible fixed asset are:

- there is proof of the physical and moral usage of the asset;
- if there have been or there will be in the near future any modifications with a negative effect on the conduct of the institution’s activity and influencing or going to influence the degree in which the asset is used or will be used;
- if a decision is made to stop the construction of an asset before its completion or before its putting into operation;
- if there is proof that the economic performance of an asset is or will be poorer than estimated.

The last two criteria, depending on which it is determined whether an asset is depreciated or not, are also provided in the national norms, as mentioned above.

2.5. Tangible fixed assets de-recognition

The de-recognition of the tangible fixed assets value takes place when they are ceded by sale or donation or when there are no estimates on their generating future economic benefits or service potential through their use, according to the IPSAS 17.

In the Romanian public institutions' accounting, the tangible fixed assets are highlighted when they are sold, donated, transferred to other institutions, found missing in the inventory.

According to the International Public Sector Accounting Standards, the tangible fixed assets are de-recognized at their accounting value, namely the initial cost minus the losses cumulated through depreciation and amortizations.

The national norms don't explicitly provide any value in the case of the tangible fixed assets de-recognition, they specify, in the paragraph devoted to the general evaluation rules, that a good is evaluated the moment it leaves the public institution at its entry value. Thus, through the accounting policies, the public institutions of Romania must establish clear criteria for evaluating the tangible fixed assets at the de-recognition moment, what value they must have and under which circumstances.

3. Influence on institution result of accounting policies and procedures applicable to tangible fixed assets

The tangible fixed assets recognition, evaluation at the moment of recognition, amortization, and depreciation are operations modifying the value of certain indicators in the financial reports, namely in the balance sheet and in the patrimonial result account or only in the patrimonial result account.

Any tangible fixed asset at the entry in the management of the public institution must have a value, called entry value, which is determined based on the modality of obtaining the good.

The entry value is represented by:

Table 1

The modality of obtaining the asset	National norms on the organization and conduct of public institutions accounting	IPSAS
Acquisition	Acquisition cost	Cost
Production	Production cost	Cost
Donation, charge free	Fair value	Fair value

The national norms, as aforementioned in this work, provide a minimum entry value of an asset, namely the amount of RON 2,500; however this isn't also valid for the IPSAS. Therefore, according to the national norms, the assets with a value below the minimum limit will be recognized as inventory items. The value of inventory items is registered under expenses when they are removed from use.

The goods that meet the criteria of recognition as tangible fixed assets implicitly have a value over RON 2,500, are amortized on a monthly basis during the entire useful life. Thus, there are registered amortization expenses which influence the result of each financial exercise during the entire period of asset amortization.

According to the IPSAS, all goods meeting the criteria of recognition as tangible fixed assets are recognized in the balance sheet and are amortized during the entire useful life established through professional judgment. The amortization of a tangible fixed asset entails that periodically part of its initial value be registered as amortization expense affecting the institution result during the entire useful life of the good.

Example 1. To underscore the differences between the national norms and the IPSAS, we assume that a public institution purchases a laptop which costs RON 1,800 to be used in conducting the activity on a long period of time. According to the IPSAS, the laptop is recognized as tangible fixed asset and the useful life, determined by professional judgment, depending on the length of use of other goods with similar traits, 3 years. The amortization method is the linear one.

Table 2

National norms	Entry value < RON 2,500	Inventory item	It is not amortized	Influences the result in the year when it is taken out of use, in the sense of a RON 1,800 decrease

IPSAS	Cost RON 1,800	Tangible fixed asset	RON 600 yearly amortization expenses	Diminishes the result by RON 600 per year during the entire useful life of the asset

The initial value of a tangible fixed asset must be accurately established, as the amortization value and the reevaluation difference are determined depending on it.

In the case of the evaluation after the recognition, both the IPSAS and the national norms provide that public institutions can opt for the cost method or for the reevaluation method, however the national norms impose the reevaluation of lands and buildings at least once every three years.

Example 2. We assume that a public institution owns a building with an initial value of RON 500,000, a 50-year useful life, with a linear amortization method. The evaluation manner can be chosen after recognition only according to IPSAS and the option is the cost-based method, with the residual value zero. According to the national norms, the institution must reevaluate the building, and the fair value established by an authorized evaluator stands at RON 475,000. The manner in which the institution result is influenced in the first three years of using the building is displayed in the table below:

Table 3 - RON -

	Entry value	**Annual amortization value**	**Influence on result**
National norms	500,000	10,000	Annual result diminishing by 10,000
IPSAS	500,000	10,000	Annual result diminishing by 10,000

As noticed in the table above, in the first three years of using the building the result is diminished by RON 10,000 each year. The differences on influencing the result depending on the evaluation manner after the recognition begin to come into view in the financial exercise following the reevaluation.

Table 4 - RON -

	Entry value	**3-year amortization value**	**Accounting value**	**Amortization value in the 4th year**	**Influence on the result in the 4th year**
National norms	500,000	30,000	475,000	10,106	Result diminishing by 10,106
IPSAS	500,000	30,000	470,000	10,000	Result diminishing by 10,000

The national norms provide that the value resulted following reevaluation replaces that initial value, and the amortization will be calculated taking the new value into account, the fair value, on the number of remaining years. Therefore in the fourth year of use the amortization stands at RON 10,106, as the result of dividing the value obtained after reevaluation, RON 475,000, to 47 years.

The evaluation after recognition model, chosen according to the IPSAS, cost-based, determines an accounting value of the asset of 470,000 lei, as the result of deducting the cumulated value of the amortization from the initial value. Therefore, the annual amortization value isn't modified, same as the value by which the result diminishes.

Taking into account that, both the national norms and the IPSAS recommend that financial reports reflect an accurate image of the assets, they must be presented in the balance sheet at their current value, which can be determined by reevaluation. The reevaluation of assets is the method determining a value of the goods as closer to the real one as possible. As such, the recommended method for the subsequent evaluation of the recognition, at least for lands and buildings, is the method based on reevaluation.

In the Romanian public institutions accounting, one can opt for the reevaluation of tangible fixed assets carried out by authorized evaluators or for the reevaluation based on the consumption price indices conducted by a committee appointed by the credit release authority. The second method, although preferred by public institutions due to the reduced costs, isn't always the one giving a current value of the reevaluated tangible fixed assets. This method, based on the consumer price index, doesn't take into account other factors that can favorably influence the value of the reevaluated assets, factors such as the economic context, the environment, the asset assignment.

The national norms don't offer alternative methods for the amortization of tangible fixed assets, with only the linear method being provided, which entails that the initial value of the asset be included in the monthly expenses during the entire useful life. This way, the result is diminished by the same amount in each financial exercise. The provisions of the national norms, nevertheless, allow the public institutions to establish a longer or shorter useful life by up to 20 percent of the useful life approved by Government Decision.

Example 3. We assume that a public institution owns a new laptop the initial value of which stands at RON 2,800. As it has a value higher than RON 2,500 is recognized as tangible fixed asset. The useful life stipulated in the 'Fixed assets catalogue' is between 3 and 5 years. The institution could opt to amortize the asset in 2, 3 or 4 years.

Table 5 - RON -

Useful life	**Entry value**	**Annual amortization value**	**Influence on the result**
2 years	2,800	1,400	The result is diminished by 1,400 per year for 2 years
3 years	2,800	933.33	The result is diminished by 933.33 per year for 3 years
4 years	2,800	700	The result is diminished by 700 per year for 4 years

As longer the useful life of an asset is as more years the amortization expenses will have an impact, in the sense of diminishing, on the institution result. However, if the useful life is shorter, the diminution value is higher. The diminution or augmentation by up to 20 percent of the useful life must also take into account the trend of the institution's revenues. Thus, if the institution's revenues are estimated to decline, an as short as possible useful life must be chosen, and if the revenues are constant or increasing, then a longer by up to 20 percent useful life can be chosen. It is worth mentioning that once the useful life duration is chosen, it cannot be modified until the full amortization of the good.

The differences between the national norms and IPSAS referring to amortization are: the IPSAS determine the amortizable value as a difference between the initial cost and the residual value, while the national norms provide as amortizable value the good's entry value; the national norms impose a single amortization method on all goods, namely the linear one, and the IPSAS recommend choosing, depending on the consumption rate of the future economic benefits, one of the linear, digressive and production units methods.

Example 4. We assume that a public institution owns a laptop the entry value of which stands at RON 2,700, with a useful life of 3 years. The residual value according to the IPSAS provisions is RON 300. The amortizable value according to the national norms is RON 2,700, and, according to the IPSAS provisions it is RON 2,400. According to the national provisions the amortization method is the linear one, and, according to the IPSAS, one can choose the linear or digressive method.

Table 6 - RON -

	Entry value	**Amortization value in the 1st year**	**Amortization value in the 2nd year**	**Amortization value in the 3rd year**	**Influence on the result**
Linear amortization according to national norms	2,700	900	900	900	The result is diminished by RON 900 for 3 years

Linear amortization according to IPSAS	2,400	800	800	800	The result is diminished by RON 800 for 3 years

The digressive amortization entails decreasing amortization expenses; however the IPSAS don't specify clear rules to determine the annual amortization value. Nevertheless, the impact on the result, in turn, is a decreasing one and thus in the beginning of the useful life the result is diminished by a higher amount than in the second and third year of using the asset.

The example above on the comparison of the amortization value determined after the linear method according to the national norms and the IPSAS shows that the impact on the result is higher if the annual amortization is made according to the national norms.

The depreciation of tangible fixed assets influences the result of a public institution through expenses only in the financial exercise in which it is established that the asset value has diminished more than the amortization value. In case the de-recognition of the asset takes place, the depreciation value is recognized as revenue in the financial exercise when the operation takes place.

The process of choosing accounting policies has a special impact on the quality of information provided to all interested users so that the financial statements must contain information regarding the accounting policies adopted by the entity, through the explanatory notes to the financial statements. [10]

4. Conclusions

The rules, practices employed by a public institution in drawing up the financial statements are found in the International Public Sector Accounting Standards and in the national norms on the organization and conduct of accounting in public institutions. The IPSAS implementing is only recommended, whereas the national norms are compulsory for accounting in public institutions of Romania. The aforementioned standards and norms also include conventions, principles, methods referring to the recognition, evaluation, depreciation, de-recognition of the tangible fixed assets, in fact, they represent a set of rules which are taken into account in presenting the information on the elements brought up in the financial statements.

The information presented in the public institutions financial statements reflects the decisions on the adopted accounting policies. Taking into account that the tangible fixed assets hold a significant share in the total assets owned by a public institution, any decision regarding the accounting policies referring to the tangible fixed assets has a major impact on the values of the indicators presented in the financial reports.

When no clear rules are provided in the legislation in force referring to certain transactions involving the tangible fixed assets, the public institutions must establish them under accounting policies, accounting procedures.

The accounting policies implemented by public institutions on tangible fixed assets must be selected of such a manner that the financial statements present relevant and reliable information.

On a European level, starting from the International Public Sector Accounting Standards, there has been initiated a debate and work on the European Public Sector Accounting Standards (EPSAS) in view to harmonizing the accounting systems. The EPSAS will represent a new set of rules which will be taken over and implemented in the public institutions of Romania, and a future research topic will concern the EPSAS provisions implementing manner and effects on the financial statements of the public institutions in Romania.

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