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Characterization of accounting systems of community operators of public utilities services

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Abstract

For an efficient management of the public services and their operations, regardless of their organizational form, must have a financial and accounting informational system designed and structured in such a way to meet the informational requirement of the management process. The main objective is to highlight the importance of financial-accounting information in the strategy of sustainable development of European public utilities. The results of this analysis, mainly focuses on the role of the financial-accounting information in the management of the operators and in ensuring a strategy regarding a sustainable development of the European public utilities services.

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1. Introduction

The financial-accounting information plays an important role in the management and reporting of public utility services operators (Nor-Aziah and Scapens, 2007), but its role is different and is very difficult to assess and there is a conflict in this respect, between the public and private sector (Potter, 2002). In order to increase the public sector's efficiency and, in particular of the public utility services, there was and still is, in the developed and in the developing countries, a trend to pass these services in the private sector, considering that a private management is far more efficient (Hopper and Hoque, 2004). Another phenomenon that has led to a change in the accounting of these services has been the corporatisation that led to the awareness of the managers from the public sector on the financial efficiency of public utilities services. In Romania there is a trend to externalize the public utility services, but as for the district heating plants or the district water supply and sewerage, it is not preferred to lose the control over the operators in these fields. The result of this is that the Romanian operators are usually organized as autonomous or partial or full state-owned companies.

The reasoning and motivation of this research is to highlight the need for implementation of an integrated management system encompassing a financial accounting information system, appropriate to the specific activity, being the basis of one of the fundamental objectives of operators - the necessary funding to ensure a sustainable development of the services.

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The research methodology of this article is based thus on observing the implications and relevance of information provided by financial accounting information system of the European Community operators of public utility services on their management process.

Do these public utility operators have to have an informational financial-accounting system that needs to meet the requirements that are specific for the activities they do, or is there possible to implement a financial-accounting system that is common to other general areas of the economy? This is the question at which we are trying to find an answer through this work. In this respect there is a high importance of the flow of information from the moment of producing a phenomenon in a process until, on the basis of knowing it, a new event is being triggered (Matis and Candrea, 2005). The literature also states that an informational system is created and developed along with the activity that it reflects. Taking into account the dynamic nature of the economic system, in an objective way the informational financial-accounting system has to be in a continuous adjustment and improvement to meet the requirements from the field of public utility services.

The operators from the public utility field, especially those who manage sanitation or wastewater treatment services, must also keep the books related to the environment. This is part of the managerial accounting, but it must be served by a separate informational system (Gao, 1995). The environmental accounting is associated with the term of eco-efficiency, and the main feature is presenting the information related to the environment separately from the financial information related to the items presented (Schaltegger and Burritt, 2000).

This paper represents a study of the organizational structure and of the financial-accounting systems of the public utility services operators, as well as of the financial statements but especially of the accounting policies specific to the activities in this field. Referring to the financial statements, the literature is very rich, given the fact that the access to the information related to external reporting is easier compared to the access to information related to internal reporting (Richards and Gladwin, 1999). Thus, the data on monitoring and internal reporting are very difficult to obtain, which affects the elaborate study of environmental accounting as part of managerial accounting of the public utilities operators (Simons, Slob, Holswilder and Tukker, 2001). Although very different in terms of quality, environmental reporting and accounting is growing and have resulted in the issuing of useful reports to shareholders and other interested parties (KPMG, 2005).

2. The characterization of informational financial-accounting system – data processing system

In the management of public utilities services there should be a system to ensure the collection, processing, transmission, providing of financial-accounting information (Chai and Wen, 2010). Also, if the providing of information takes place electronically, it is necessary that the informational system to meet the requirements of the financial-accounting system of the operators, this being a basic component of the informational system. Currently, in the literature, due to the very high degree of computerization of the informational financial-accounting system existing in the Western companies, there is the trend to unify the concepts of data processing/computer system and informational financial-accounting system.

Regarding the form of accounting adapted to automatic data processing systems, the law regulates its use, as well as the conditions to be accomplished by a financial-accounting system. According to the Regulation implementing the Accounting Law, the individuals and legal persons using automatic data processing systems are obliged to ensure compliance with the accounting rules, data warehousing, keeping it under the form of technical support and control of the data registered in the accounting, and the organization of the system of automatic data processing has to provide all the necessary information for a possible control (Oprean, Racovitan and Oprean, 1994). According to the law, the requirements that a data processing system has to meet are the following:

- to specify the type of support for the retention of data entry as well as the lists of the entries made in the book-keeping, based on the documents that are to be numbered in chronological order, the insertion, interpolation as well as any subsequent additions or deletions are forbidden.
- The systems must clearly state the origin, content and belonging of each data; each data must have at its basis the content of a written document.
- The systems must allow, at any time, restoring of the elements and content of accounts, of the list and

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