

ACCOUNTING POLICIES AND TREATMENTS OF CONTINGENT ASSETS AND LIABILITIES IN PUBLIC INSTITUTIONS

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ABSTRACT: This paper aims to approach an issue that is less common in public institutions, namely the accounting policies and the accounting treatments of contingent assets and liabilities with the goal of sustaining the quality and completeness of financial accounting information, being a culture oriented towards the constant improvement of information quality, without limits to regulating prescriptions. The approached aspects are the following: the role of accounting policies, having as a reference system the accounting standards/rules and the professional reasoning; the need for specific accounting policies; the conceptualization and features of contingent assets and liabilities; the theoretical circumstances in which they are recognized, evaluated and presented in notes to the financial statements; the potential scenarios for the practical applicability of theoretical foundations regarding these probable, uncertain “elements” in public institutions.

Key words: contingent assets, contingent liabilities, accounting policies, probability, risk assessment

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