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ACCOUNTANCY FIELD



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ABSTRACT OF DOCTORAL THESIS

**THE FINANCIAL AND ACCOUNTING
MANAGEMENT OF PUBLIC INSTITUTIONS OF
HIGHER EDUCATION**

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CRAIOVA
2015

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1. KEY WORDS

- ✚ public internal audit;
- ✚ balance sheet;
- ✚ budget;
- ✚ budgetary execution account;
- ✚ patrimonial result account;
- ✚ public accountancy;
- ✚ institutional contract;
- ✚ complementary contract;
- ✚ internal/managerial control;
- ✚ financing mechanism;
- ✚ EPSAS;
- ✚ budgetary financing;
- ✚ corporate governance;
- ✚ university governance;
- ✚ public institutions;
- ✚ IPSAS;
- ✚ management;
- ✚ economic and financial performance;
- ✚ profitableness;
- ✚ accounting informational system;
- ✚ periodic summary reports;
- ✚ accounting treatments;
- ✚ universities;
- ✚ extra budgetary incomes.

2. THE MOTIVATION AND IMPORTANCE OF RESEARCH

The society based on knowledge assigns to the higher education an essential role, fully recognized both at EU level and globally. Moreover, the assumption that the academic education contributes not only to the evolution of individual citizens but also to the development of the entire community, it can be treated as the "engine" of development of any society and is becoming a pressing need in the way of achieving progress.

Lately, there has been an increasingly pressing need to modernize higher education in order to meet the challenges in the field and to face, especially, acute changes under the impact of globalization.

Therefore, currently, the major objective of tertiary education progress on the way of modernization is given by the integrated concept of quality, for which it is desirable to achieve a comparable level to the international space. On the performance direction, the transformations aim not only extensive improvements of the management process, of the management structures from the universities, of the manner of organizing and functioning, but also modernizations of the paradigm of financing and improvements of the accounting system.

Although, over time, famous scientists and economists have identified various problems related to accounting and financial management of the university, many of them remain insufficiently discussed, requiring deepening clarifications, arguments, additions and updates by adapting to current circumstances. In addition, academic education institutions, especially those in the public sector, present features and defining characteristics that differentiate them from other entities, in relation to the specific domain and regulatory basis.

These problems of maximum actuality drew our attention and motivated us to multilaterally study the theory and conceptual, methodological-logical and pragmatic bases of the „**Financial and accounting management of the public institutions of higher education**”.

Our challenge sprang from the initiative to bring to the scientific spotlights both features and defining elements, but also the shortcomings related to the field researched in order to contribute ultimately to its development by identifying and advancing proposals for improvement and actions to perfecting that would bring a surplus of value.

3. METHODOLOGY OF SCIENTIFIC RESEARCH

The investigative methodology used to develop the doctoral thesis expresses a harmonious blending of several methods in order to facilitate correct understanding of the results obtained from the research carried out. Therefore, the scientific approach successfully combines *the qualitative research with the quantitative one and the theoretical perspective (descriptive-conceptual) with the pragmatic one*, analyzing the main contributions of different authors, local and foreign, to scientific knowledge in the field and observing the coordinates on which it is approached, nationally and internationally, the investigated topics.

To finalize the research, we appealed to instruments such as: participatory and non-participating observation, collection and processing of data and information, analysis, synthesis, induction, deductive reasoning, comparison, case studies and exemplification. For the fourth axis of research, we used as a tool for formatting the questionnaire and collecting the responses, Google Forms application, and the data processing and hypothesis testing were done through the program Excel spreadsheet, provided by the application Microsoft Office, version 2013. In the last chapter, in terms of the tools used, the analysis of the correlation between profitability and risk indicators in the public institutions of academic education and its economic-mathematical modeling were conducted using the statistical software SPSS.

4. Succinct presentation of the chapters included in the thesis

The doctoral thesis is characterized by a wide structure consisting of an introduction, five chapters, conclusions, proposals and subsequent developments, annexes and bibliography.

Chapter 1 – *The organization of higher education institutions on the principles of corporate governance*

One of the latest challenges in the field of academic education aims at reconsidering the role of universities in the society, together with the improvement and remodeling their management organization, which means rethinking internal order by optimizing the organization at all levels, but also through effective coordination of funding, administration and resource management, education and research activities. It seems that the best solution is given by the new paradigm, governance, as the alternative model for the management system of higher education institutions. Governance is one of the most current approaches in this area and addresses not only issues relating to higher education, but also issues related to state authorities involved in higher education.

We consider that the revision of the systems of university management according to the model of corporate governance is a topic of challenging debate, by the fact that currently, within the domestic context, the concept of governance in higher education is still considered difficult to understand and abstract, and the related matters and implications quite complex, being insufficiently treated, discussed and explained by specialized works and publications.

Consequently, the first chapter of the doctoral thesis was devoted to identifying theoretical boundaries concerning the culture of corporate governance, corporate governance models, concept and process of university governance with the principles of reference, but also to presenting the framework for the organization and functioning of the academic institutions and university management education.

Chapter 2 – *The financing of higher education in Romania*

The second axis of research was intended to study and debate the financing of higher education in Romania, starting from the conviction that the amounts for academic education should not be treated as burdensome expenditures, but as true long-term investments for development of the community, considering that, in our country, financing education at tertiary level remains a sore point and a topic of debate highly controversial both for members of the political class and civil society, even after strengthening and modernizing the old foundations of the system by adoption of the National Education Law 1/2011, as an opportunity of consistent reform for universities, with particularly financial changes.

Basically, the optimal solutions regarding the university funding as a key lever for shaping and sustaining a high quality education system are being constantly sought. However, although the politicians always talk about the efforts they are making to support tertiary education from public funds, the recent studies revealed the reduction and insufficiency of budgetary resources allocated. Starting from the economic reality according to which the legislative assumptions concerning the allocation of at least 6% of GDP for education are not met, in order to carry out missions undertaken, in an attempt to compensate for inadequate allocations from the state budget, higher education institutions are forced to seek new sources of funding, but collide, most often, with the effects of the global economic and financial recession and with the reduction, in a natural way, of the number of students.

In the context set, we presented an overview on the current Romanian system of academic education funding. Our debate began with a retrospective on how to finance tertiary education, from the communist regime period until today, aiming to highlight the evolutionary stages and crucial moments for the funding policy reform. We have paid due attention to the changes brought by the new Law on Education, as an opportunity to modernize the old structure of the financing system, then we focused on the current state, aiming to capture essential aspects of the financing mechanisms both for state universities as well as for private universities. Simultaneously, we presented the latest methodology for allocation of budget funds to public universities.

Also, we paid due attention to the budgetary activity, as a powerful instrument of university financial management. At this level, we have focused the investigation approach on the education budget, as part of the state budget, after which we have focused on the revenue and expenditure budget of the higher education institutions, as a key lever in the university management process. Moreover, we have not omitted the role of authorizing officers in the budget execution process and in the priority allocation of public resources, in the spirit of university financial autonomy.

The theoretical part found its pragmatic instrumentation through two studies. The first one aimed at creating the financing sources following the example of the University of Craiova, being corroborated with an analysis-

diagnosis, and the second resulted in a comparative analysis of the funding mechanism of academic education in Romania and Spain, managing to highlight not only the convergence elements, but also the particular aspects of each of the two financing models. The research of the Spanish paradigm of higher education financing and the comparative analysis between the two countries were made within the course of European academic mobility undertaken, during the period 01.02.2015 – 31.03.2015, at the University „La Rioja” from Logroño, Spain, through the project called „*Competitive researchers at European level within the humanities and socio-economic sciences. Multiregional research network (CCPE)*” POSDRU/159/1.5/S/140863.

Chapter 3 – Accounting informational system organization in higher education institutions

Our presentation continued with scientific research concerning the accountancy of higher education institutions, as informational and decisional instrument within the management process.

Our approach surprised the accountancy of the Romanian public institutions in the reformist process, since the year 2014, tends to shape a new vision in the field, on the background of community approach for establishing the European Accounting Standards for the Public Sector (EPSAS) starting from the International Standards of Accountancy for the Public Sector (IPSAS).

The regulatory “Revolution” with impact on the public accountancy, manifested recently in our country, made us anticipate important innovations concerning the financial reporting in public institutions of higher education, on the background of obvious tendency of adopting the community paradigm. In this context, we managed to capture the accounting emergence of universities from now and in the future and to make known the importance of account management in these institutions.

For achieving this objective, we started from specific principles and carried out the investigative approach until preparing the periodic summary reports. Also, we have not neglected the utility of disseminated information through synthesizing documents, within the process of decisions shaping, at the level of university management, as well as the level of the other interested parts. Since, we note a significant potential for improvement and development given that the convergence towards globalization is felt more accurately, we have also advanced a predictive vision on the accountancy of higher education public institutions from our country.

At this level, the applied research has resulted in an itinerary of the main events taking place within the activity of higher education institutions, with their reflection in accounting. Having as point of practical applicability the University of Craiova, I juxtaposed investigating treatments and accounting policies on fixed assets, inventories, settlements with third parties, as well as costs and revenues.

Chaper 4 – The role of audit in the performance evaluation and measurement within the higher education institutions

In order to highlight the role of public audit in evaluating and measuring the performances of institutions of academic education, we have treated specific issues including both considerations on regulations in the field of internal public university audit and debates on internal audit as an important factor in the risk management process. In another manner of expression within this axis of research, we have managed to issue pertinent considerations and duly justified on public internal university audit, as a vector in the institutional control.

The public sector in our country has lost credibility, both in terms of organization and functioning, but especially on the management of public resources. Given that, lately, the educational system has become the target of attacks more and more increasingly concerted from the public opinion, it becomes increasingly necessary the strict control on the principles of economy, efficiency and effectiveness. Under these circumstances, the solution of improving internal/ managerial systems of control appears to be a fair and urgent option, representing also one of the most important current challenges for managers of public institutions of academic education.

Therefore, after we have discussed the concept of internal control through more conceptual approaches, we proceeded to describe and explain the specific of standards of internal / managerial control on each of the five pillars of reference (control of environment, performance and risk management, control activities, information and communication, evaluation and audit), by adapting to the specific of higher education institutions in the public sector.

Under this axis, the pragmatic research has resulted in an empirical study on the impact of internal audit on the accounting system and its reliability, in the case of public universities from our country. To accomplish this goal, we intended and managed to know, in detail, the views of the representatives of the financial-accounting departments from the public institutions of academic education, through a statistical survey based on a questionnaire, as a method of observation, also used as a research tool in education that focuses on the aspect of social reality opinion.

Through this empirical study based on a questionnaire, we followed the separation of conclusions concerning: the importance of internal audit of the accounting system and its reliability, the extent to which the activity of internal audit manages to provide reasonable assurances with respect to financial and accounting activity, insurance and adequacy of human resources allocated to structures of internal public university audit, the frequency with which the projects of the internal audit reports are modified following the recommendations of the audited structure and the causes that determine the formulation of such recommendations, the extent to which the reports of internal university audit reflect the reality and the extent of implementation of recommendations made by specialized departments as well as the contribution of internal audit activity to improve the accounting systems and their reliability, within the institutions of academic education.

Chapter 5 – Analysis of economic and financial performances of public institutions of academic education

Within this chapter, we have realized the reflection in polyhedral vision of the concept of performance in general and financial and economic performance in particular, through the theoretical delimitations and foundations offered by the specialty literature, then, based on the principle according to which you can control and improve only the things you know, we have focused our efforts on the ways of assessment and quantification of the economic-financial performance, through the specific indicators of analysis. Regarding this last point, we have provided a set of indicators for assessing the economic and financial performance of academic education public institutions, by adapting the paradigm of existing financial analysis for the private sector, at the specificities of the public sector.

Subsequently, in order to convince ourselves that the substance of the concepts approached does not mean only their theoretic aspects, we proceeded to the extrapolation of notional sphere in the practice of higher education institutions, performing a praxiological analysis at the level of public universities from Romania. Practically, appealing to specific indicators of economic-financial performance, we proceeded to an examination of financial diagnosis type, managing to highlight the aspects which have a negative impact on economic and financial health of public institutions of academic education in our country.

This pragmatic approach was based on balance sheets and accounts of patrimonial results disseminated by higher education institutions for the last four financial years. In the first stage of the study, we conducted a ranking of the most transparent universities in our country through the financial-accounting information offered to the public in relation to the physical number of students at the beginning of the financial year 2014, after which we focused on the calculation, analysis and interpretation of indicators.

Under this axis of research, we followed in equal measure, also the analysis of the existing correlation between profitability and risk indicators, and its economic-mathematical modeling. To achieve such an analysis, the "university population" was the subject of manufacturing and refining in order to consider only those institutions considered comparable in terms of number of students.

5. SUMMARY OF CONCLUSIONS OF SCIENTIFIC RESEARCH:

The public system of higher education has recently been marked by numerous reforms, shown at national level, as an approach to rallying to the community paradigm. The legislative changes were aimed at both modernizing the university governance and management, improving the financing mechanisms and methodologies, enhancing transparency in the allocation of budgetary resources, revolutionizing the ways of coding of the banking accounts

and innovation of the reporting system, and rethinking the standards of internal /managerial control.

Although with these reforms have been registered significant improvements, the public institutions of academic education in our country continue to face many problems and, equally challenges, including not only issues of academia governance, of financial-budget management, of accounting management, of audit and internal/ managerial control, but also performance of economic and financial measurement.

Following the research, we extract the idea according to which the **university governance** is an integrative approach which engages both the specific internal aspects of academic education and research institutions and external aspects specific to other stakeholders interested in the processes of higher education. Among *the internal parties* involved we mention: present investors (the State and its institutions or private investors, as appropriate), managers (Rector, vice-rectors, general manager, deans, deputy deans, department heads), employees (staff academic - teaching and research staff and auxiliary teaching staff), the trade union organizations which represent them, and students. On the other hand among *the external parties* interested we mention: parents, business partners, financial creditors, and public or community .

We believe **that a special category of actors involved in the governance of academic education must be, undoubtedly, the public**, which is entitled to know what is happening in the sector to which it is directed its contribution, on the premise that any public institution rather belongs to the community in which it operates and to which has certain rights, but mostly a lot of obligations and responsibilities. However, currently, the role of external parties involved is not yet sufficiently taken into account at level of governance university, whereas external actors are not part of any governance body.

The research conducted in the first chapter allowed us to find **that some of the fundamental principles of corporate governance were implemented in the sphere of academic education and were taken in our country by adapting to current legislation**, being treated as benchmarks of good governance university. However, we consider that, currently, ***the universities of Romania integrate, to a low extent, the academic governance principles into their organizational culture*** and, therefore, they have little effective administration and performance. The main cause is the standard approach that is still fueling the system's homogeneity. Typically, the University cards are simple legislative transpositions and the internal regulations are drawn up with the designs similar to the documents from other universities. Naturally, we believe that these efforts may not lead to strengthening governance and proper management for the university mission.

The old foundation of the Romanian education system has been strengthened by the Law 1/2011, which has entailed some significant progresses. In terms of university governance and management, changes have mainly focused on: reviewing governance structures and removal of the

traditional model of self-government, with focus on new models that would redistribute decision-making power and responsibilities between the parties involved.

While maintaining the same critical note, we must admit that, **despite the progresses achieved, not all institutions of academic education in our country now benefit from a genuine leadership**, the overall system continues to face serious deficiencies in management. To carry out their public mission and strategic objectives, all Romanian higher education institutions need highly professional managers, dedicated and proficient leaders, both on the academic pathway, and the administrative branch. We believe that improving the current situation can be achieved either by intensive training of existing managers, taking into account the international best practice examples, by promoting employees with leadership developed skills or by attracting new highly professionalized leaders.

In addition, **we believe that the performance evaluation of the management team** (both academic and administrative management) **should be realized periodically (for example annually by comparing the results obtained with the ones predetermined at the beginning of the exercise.** Depending on the findings of the analysis, should be established the due amount of rewards for the managers, which we thought would be an incentive for long-term development of universities, contributing to successful missions undertaken by the rectors.

Reviewing the second chapter of the doctoral thesis, allowed us to note the **the constant development and gradual modernization of financing mechanism, from budgetary funds, of the public institutions of academic education, but we maintain the trust and belief of the existence of improvement possibilities in time.**

Currently, the Romanian higher education is still marked by the legislative changes, appeared in 2011, as an approach to harmonization with the requirements of the European Space. As such, the financing mechanism combines the traditional version in which the allocation of funds is made on the basis of **input (quantitative component)** with modern financing compared to output **criteria (qualitative component)**. By reference to the period before adoption of the National Education Law 1/2011, we could draw some correlations, but certainly in terms of methodology, the current period is characterized by an increased weight attributed to the results of research, accompanied by a greater complexity in terms of the indicators used.

We appreciate that concerning the financing of the university, the new legislation has contributed with important innovative elements such as funding streams (additional funding, the one for institutional development), conditionings starting from university classification, ranking of Bachelor and Master programs and evaluation of doctoral schools as well as establishing multiannual research grant as a pillar element for the financing process.

Turning our attention to the **main problems facing the current financing system**, we could notice the underfunding, as hindrance for the

Romanian universities in trying to become competitive in the EU and even worldwide, coupled with the inability to compensate for the reduction of budget funding by raising the number of students with fee.

*The investigation carried out has shown that **although the National Education Law provides for the allocation of at least 6% of GDP to finance national education, these provisions have not been observed so far.*** This low level of public support is reflected in an obvious approach to chronic underfunding of Romanian academic education, resulting in emphasizing the budgetary pressure on universities.

Although the current system of financing the Romanian academic education is functional, obviously are imposed measures to improve and modernize. Therefore, **our proposals** aim at: increasing the absolute level of funding by increasing the budget allocated for education as a percentage of GDP, more efficient use of resources by prioritizing funding lines to academic structures considered important (for example, investing in research, modernizing libraries and not least investing in the rehabilitation of all hostels and canteens) and diversification of funding sources.

The concretization of theoretical and methodological approaches, debated and advanced within the second chapter, was made through a study concerning the financing of the higher education institutions following the example of the University of Craiova, through which we have pointed out its financing structure and the manner in which it has evolved, following the legislative changes occurred in the year 2011. Therefore, the analysis range spread during four consecutive years (period 2011-2014), and the digital information used within the investigative approach were taken from the financial statements and annual reports on the state of the institution.

According to the study made, ***we could issue the finding that, between 2011-2014, the reduction of the budget funding coupled with extra budgetary revenue decrease, particularly under the impact of falling revenues from the tuition fees, generated a considerable pressure on the University of Craiova and more especially over its management, which was forced to change its strategy in the sense of reducing costs where possible, along with constant efforts to maintain an acceptable level of income by rationalizing the allocation of available resources***

Later, during the internship mobility undertaken, I could investigate the Spanish paradigm of higher education funding, also making a comparative analysis between the funding mechanism in Romania and Spain. Following comparatively the income structure, the percentage of the allocation of GDP to support education at tertiary level, the way of core funding allocation, the opportunity for universities to use surpluses from budget financing, the method of determining fees, the ability to borrow money as well as the ability to invest in financial markets, we managed to highlight both elements of convergence and the particular aspects of each of the two financing models.

At the end of the study, we extracted **the conclusion according to which in order to ensure an adequate funding of academic education, in both**

cases, funding type block-grant formula-based in relation to elements of input and output, together with additional funding conditioned by certain targets which must be achieved, must be used together with other mechanisms to raise funds from public and especially private sources.

Further, our investigative approach was guided on the direction of the accounting management. ***The accountancy of the higher education institutions provide to interested parties and, especially, to university managers valuable information*** concerning the execution of budget revenues and expenditures, the result of the budgetary execution, the assets under management, the patrimonial result, as well as cost the costs of the programs approved by budget.

To allow the users the foundation of a relevant decision, **we have shown that it is extremely important that financial and accounting information meet certain quality requirements** such as understandability, relevance, reliability, comparability, faithful representation, materiality threshold, neutrality, prudence, completeness and prevalence of the economic over the legal field. **To fulfill these requirements it is necessary the modeling of information in the accounting system based on precise accounting principles**, clear rules and accounting policies for the recognition and presentation of heritage elements in the periodic summary reports.

The pragmatic itinerary made following the example of the University of Craiova allowed us to identify accounting particularities and treatments specific to the public sector, as well as accounting policies specific to the institution. In this regard, we have seen permanent connection between the financial records and budgetary execution, ensured through functional and economic classification.

Nationally, the subject of public accounting is more relevant than ever, the legislator showing intense concerns to modernize specific rules, to adapt to the requirements of a modern economy, under the significant impact of globalization as a wide phenomenon.

Following the research, we have found that since 2014, the Romanian public accounting has experienced a substantial reform, attracting significant progresses. The changes mainly focused on: changes in the structure of the plan of accounts, opening accounts of available cash for each subdivision of the budget classification template, but also a new way of codifying accounting accounts. Through these changes, ambitious objectives are pursued, such as: eliminating the centralization of the periodic summary reports at the level principal and secondary authorizing officers of credits, standardization of analytical balances of the public institutions at the Ministry of Public Finance, control of the legal commitments of public institutions in the Treasury.

We believe that these innovative approaches are important steps towards improving the quality of accounting information and statistics, while facilitating increased speed of obtaining them.

It seems that the purpose of the revolution "public accounting" aims to develop **European Standards Public Sector Accounting (EPSAS)**.

Through this approach are anticipated important benefits in favor of public institutions, and thus in favor of state universities, such as: gains related to the implementation of a new IT system, and a better management of information to substantiate decisions of superior quality with favorable impact on the use of resources. This latter goal will be realized with the help of cost accounting operations and programs, but also through budgeting in accrual basis.

Using the analysis SWOT undertaken, we managed to emphasize many strengths and opportunities for the implementation of the new system of financial reporting. Regarding weaknesses and risks identified, we believe that they will be eradicated over time as implementing the system, the pros being much more consistent.

In light of all the issued presented, ***we advance a predictive optimistic vision, considering that the new system will contribute to the modernization of accountancy of the Romanian entities from the public sector, which will ,finally, direct towards the convergence with the standards EPSAS.***

The scope of the reseach concerning the audit has included aspects relating to the delimitation of the concept, description of its typology, considerations concerning the regulations in the area of university internal public audit, as well as elements concerning the audit, as an important factor in the management process of the risks in the universities.

We consider that in any modern university structure, the internal audit has become an essential function with responsibility to provide assurance on the operation of the institution as a whole. In other words, ***we believe that the internal audit is a functional means which enables the governance of the public institution of academic education to receive from an internal alternative source, assurances that the processes of the university are carried out in such a manner that the probability of the existence of fraud, error or inefficient and anti-economic practices, is minimized.***

The internal audit is an important factor in assessing the risk management process of the academic education institutions, since it must provide assurances that the governance process is adequate and sufficient for the protection and rational management of funds and university heritage. The internal audit contributes to identifying and evaluating the significant risks and formulates relevant recommendations and appreciations for improving the risk management system, in order to bring an added value to the institution of academic education.

We believe that the ***internal audit and risk management are processes sufficiently independent, but also complementary, that only in their integrality, offer to the university the best context to meet the demanding expectations of the community.***

Taking into consideration all the aspects presented, ***we concluded that, under conditions of uncertainty, the success of an institution of academic education results from the way risks are managed, reality that transforms public internal audit and risk management in urgent need.***

In the context of the fourth chapter, a distinct section was dedicated to the debate of the process of internal/managerial control within the institutions of higher education.

Understanding the role of the control structure as an activity of review and consultation made available to the management, we consider that its location is justified, from the organizational point of view, subordinated to the rector, who actually holds the greatest responsibility for the internal/managerial control as a process. However, from the pragmatic point of view, we believe that maintaining, in the university, a system of internal control is actually a responsibility mediated by the rector and an immediate responsibility of the General Administrative Director since he is the one who is responsible for economic and administrative services of the institution. Therefore, we consider that the General Administrative Director is the one who will have to implement a plan of organization, including a functional organizational chart within which to be well defined the dependency relationships as well as the roles and responsibilities of staff in the mentioned structure. In the practical activity, the functioning of specialized structure of internal/managerial control is facilitated through designation, by the decision factors, of some people in charge not only from the teaching staff, as well as from the administrative staff (teaching-auxiliary).

At the level of the public institution, the internal control must be projected so that it would provide a reasonable level of certainty concerning the efficacy and efficiency of functioning, informational reliability, but also compliance with applicable regulations and internal policies. In order to achieve these goals, ***we consider that, in any public institution of academic education, the activity of internal/managerial control must be connected with the management system of any organizational subdivision.***

In light of all the issues that we have discussed, ***we strive to promote the culture of internal/managerial control as an extremely important element of the quality and excellence commitment in universities.***

Another direction towards which we have focused within this chapter was the empirical research based on questionnaire, having as objective ***the study of the impact of public internal audit on the accounting system and its reliability, in the case of public universities in our country.*** In order to achieve this goal, it was necessary to know in detail the points of view of representatives of the accounting-financial departments from public institutions of academic education. The general population considered for our study was drawn from the accounting and financial departments within the 48 public educational institutions under the Ministry of Education and Academic Research.

The research was based from a set of ten hypotheses formulated after the theoretical and methodological documentation carried out as well as, as a consequence of the accumulated pragmatic experience.

Synthetically, the main findings of this empirically study, issued after processing the data collected from the respondents subjects, are as follows:

- The internal audit of the accounting system and its reliability are of *high importance* for the representatives of the accounting structures from the public universities;
- following the frequency with which the subjects participates at the missions of university internal public audit, we found that *there are institutions of academic education in which the accounting system and its reliability are not audited at a frequency of at least once every three years* as required by the Legislation in force;
- the audit activity manages to provide reasonable assurances *to a very large extent* – in terms of compliance with the normative and procedural framework concerning the financial-accounting activity, *to a large extent* – concerning the accuracy of financial-accounting activity, as well as the economic, efficient and effective functioning of the internal control system at its level, *relative* – concerning the way of organizing and conducting an university accountancy, the degree of compliance of the results with the objectives, but also the economic, efficient and effective functioning of the management system at the level of the financial-accounting activity;
- *from the perspective of most subjects, we could notice that the compliance with the requirements imposed by the standards of managerial internal control is always followed* within the missions of internal public audit conducted at the level of the accounting structures;
- from the perspective of the representatives of accounting structures from universities, the internal public auditors must audit, with priority, *the accountancy of debts and liabilities, accountancy of staff expenditures, subsidies accounting and treasury accounting*;
- analysing aspects concerning the assurance and adequacy of human resources allocated to the compartments of university public internal audit, we have concluded that *the staff from the structures specialized in audit must be supplemented and must receive professional training programs; also it has to be recruited staff to keep pace with the evolution of the internal audit activity, possibly younger staff*;
- the projects of the internal public audit are modified *relative frequently* as a result of the recommendations made by the audited structure, *out of necessity to clarify certain aspects which may be interpreted*;
- the findings issued through internal public audit, reflect, *to a large extent*, the reality;
- regarding the finding of dysfunctions at the level of financial-accounting departments from universities , as a result of the assessment made by the internal public audit, our study demonstrated this has occurred *rarely*;
- regarding the extent to which the internal audit activity helps universities improve the accounting system and its reliability, respondents believed *that the audit activity contributes in a relative manner to the expected approach*.

The research carried out based on a questionnaire made possible to know the perception of the accounting structures representatives from universities

concerning the impact of the public internal audit on the accounting system and its reliability. Equally, this investigative approach facilitated us a better understanding of the pragmatic characteristic of the internal public audit activity, at the level of the accounting structures from academic education institutions. In the light of responses, we have seen **that out of the ten hypotheses issued, eight were confirmed**, while **one was partially confirmed** and **one was invalidated** because, in those two cases, the results either did not correspond, or only partially corresponded to our expectations. Overall, we express our view that **results led us to achieve the objectives proposed for the study undertaken**.

Assuming that, within any entity, the performance is seen as a reference system, as a way of showing the preset objectives and the results obtained, the last chapter of the doctoral thesis was dedicated to the analysis of economic and financial performances of public institutions of academic education.

Performance designates a vast, multidimensional, extremely complex and long debated concept both within academic research and the pragmatic work. However, the more customary is this concept, the more difficult it is to define. However, we have shown that there are a number of essential attributes that may be associated in an attempt to describe, namely: the complex character, multifaceted, subjective approach, as well as connotations related to obtaining a positive result that, usually, exceeds expectations asteptărire, in difficult conditions, sometimes harsh, of the competition.

Reviewing a multitude of assertions and conceptual meanings, we noted that the economic and financial performance of an entity cannot be conceived outside the diptych efficiency-effectiveness. These attributes should not be addressed dichotomously or complementary, as they represent the composite elements of the concept of performance, reflecting not only the use of resources internally, but also meet the expectations from the external environment (business partners, financial, public or communal creditors a.). Comparative with the private sector in which the performance can be characterized through a dimension of type 2E (efficiency and effectiveness), **for the public sector we advanced an approach of type 6E, adding at the attributes identified by other authors (efficiency, effectiveness, economy, environment, equity) and the component informational expresiveness**, considering that, since the work of institutions in the sector are conducted on the basis of important public resources advanced by the State and supported by the community, it is imperative the informational transparency while employing these funds as criterion of performance.

Within universities, the interest on the assessment and quantification of economic and financial performance has increased exponentially, moving towards becoming truly a necessity for several reasons. First, under the administration of public funds, the quantification of performance appears as the guarantor of transparency in the use of these budgetary resources for meeting the educational needs of the community. Moreover, within the bleak context of underfunding the academic education, particularly managers are interested to

know the performances of universities in order to determine precisely the place they occupy compared to competing institutions, the advantages they have, and the present and potential threats. Basically, to prevent difficult times and drastic decisions, with negative impact on all actors involved in the academic education, the university managers will analyze how their decisions have been implemented and the consequences of the results obtained so that, later, could decide how they will proceed.

Since the realm of public institutions accounting information disseminated is not sufficiently explored according to the analysis of the financial statements, identifying and quantifying the economic and financial performance are not easy steps. Although no national law or international one, regulates specific indicators for analyzing economic and financial performance in the public sector institutions by adapting existing paradigm of financial analysis for the private sector, at the public sector specificities, **we managed to advance a set of indicators for assessing the economic and financial performance of academic education public institutions**, our goals concerning both the profitability analysis, self-financing capacity, efficiency of the university expenses and risk analysis.

To convince ourselves that the indicators „built” in this way do not refer only to their theoretical aspects, we proceeded to their implementation in the practice of higher education institutions, realising ***a praxiological analysis at the level of the public universities from Romania.***

The study case began with the analysis of the territorial division of the 55 higher education public institutions from our country and led us to the ***conclusion of a quite diversified distribution, that we consider to be the mirror of the economic development level of the regions. Also, we could notice the fact that, from the 41 counties to which is added the municipality Bucharest, in more than a half (22 counties) there is no university centre.***

For carrying out the study, we proposed collection, on the sites of 55 institutions, of financial-accounting balance sheets information and patrimonial results accounts at 31 December for each of the years 2011, 2012, 2013, 2014.

The collection of information has proved more difficult than we expected, it carried on during the period between 02.06.2015 - 10.07.2015.

We considered that the information we need must be on the site of each university considering that every public institution has an obligation to communicate ex officio the financial sources, budget and balance sheet as information of public interest. Although regulations stipulate expressly the obligation of public institutions to annually update an informative bulletin containing this information, in most cases, the reality proved otherwise.

Pragmatically, in search of the two components of the annual summary reports on the websites of all public universities, we managed to find the necessary information on the range of interest only for 12 institutions, representing a percentage of 21.82% from the total number. Moreover, ***we should specify that in the case of the 7 military insitutions of higher***

education, the financial-accounting information of public interest are practically absent. These institutions represent a percentage of 12.73% of the total population of our country's public universities.

Later, knowing that everyone has the right to request and obtain information of public interest from state institutions, we drew up and disseminate a request to the attention of managers from the financial accounting departments of the universities under the Ministry of Education and Research whose annual reports are not found on websites. The reactions were not numerous, our approach having as effect getting useful information for another 6 universities.

From our point of view, the high rate of non-response demonstrates reticence of public institutions of academic education to provide information of this kind. Our statement is based, first, on the finding that there are a significant number of public universities that do not make public their usual components of the periodic summary reports. Secondly, many times, we can talk about inconsistent data published since they are either not present or not complete or is not ensured continuity in their dissemination, which we consider that is a real impediment in the event that it is desired an analysis of the trend.

Because of the impediments we faced, we was to submit the 'population' of universities to a refining process by setting an effective of analysis, **the most representative public institutions of academic education within each development region, giving a total of 16 universities.** With reference to the latest national reports on higher education, the number of students enrolled in universities which were the subject of our study represents 56.68% of the total number of students enrolled in public institutions under the Ministry of Education and Scientific Research.

Appealing to specific indicators of economic and financial performance, we conducted a diagnostic review of the financial type, highlighting aspects that weigh heavily on the economic and financial health of public institutions of academic education in our country.

In this final chapter, we pursued, equally, and analyze **the existent correlation between profitability and risk indicators, and its economic-mathematical modeling.** For this analysis, the "university population" was the subject of manufacturing and refining, therefore we considered only those institutions considered comparable in terms of number of students.

The correlation analysis allowed us to notice similarities within the trends manifested within the economic entities of private law. In other words, even if public institutions in general and academic education in particular, as opposed to economic entities, do not have as main objective making profit, we consider that **aiming at economic-financial performance, in the sense of the best use of resources in the direction of achieving objectives, represents a common objective of the two types of property: public and private.**

We believe that **the analysis of economic and financial performances of public institutions of academic education is a modern tool of planning**

and university governance as it contributes to the argumentation of the management decisions, especially those concerning the management of allocated resources or obtained by their own effort. Moreover, we consider that ***the information obtained through the analysis of the economic and financial performances of public universities will support the Ministry of Education and Scientific Research in judicious distribution of limited budgetary resources for meeting the educational needs, growing, in the community.***

6. LIMITS AND PERSPECTIVES OF RESEARCH

Between **limitations encountered during the research** undertaken, we mention: certain barriers related to the lack of rich specialized literature concerning the topic approached; ephemeral nature of studies in the field, through the nature of specific norms and methodologies being in constant change; the compulsion to include in the questionnaire only the most important aspect from the subject investigated, so that the respondents would not lose too much time, avoiding their discouragement in providing answers; constraints related to the lack of financial data on websites of universities.

The research on the Financial Accounting Management of public higher education institutions has concretized, to a certain extent, through the results presented in this research, but also in the works published and presented at national and international conferences by the author of the doctoral thesis. However, we believe that a scientific paper, no matter how complex developed would be, may not run out and elucidate all theoretical-methodological and applicative aspects of the approach, but on the contrary, its value is given by the ability to generate new questions in search of answers.

And in our case, from the desire to deepen the issue, the **investigation will continue of course through new approaches of the topic and future developments of the author**, due to the magnitude and complexity of the subject, especially as the society is constantly changing and evolving. Currently, we foresee that the future approaches could include drawing up a plan to improve the process and governance structure following the example of a Romanian higher education institution, realizing a comparative study between the model of an university governance from Romania and the one from another country, European space or outside it, or a demonstrative action of applying the methodology of budgetary funds allocation.

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