

## INVENTORY OF GOODS IN THE PUBLIC DOMAIN OF ADMINISTRATIVE-TERRITORIAL UNITS

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***Abstract:** Inventory represents the set of factual verification operations of the existence of patrimonial elements in terms of quantity, quality and value, an operation to identify goods that belong to the public and private domain of administrative-territorial units. Accounting must provide a faithful, clear and complete picture of the patrimony. Sometimes, however, discrepancies may appear between accounting data and reality, caused by certain economic and natural phenomena, negligence, mistakes, embezzlement, etc. Concordance between written and real information can be checked with the help of the process called inventory. Accounting, as the main management tool, must provide real information on the activity of the patrimonial unit, in order to adopt scientifically based decisions. In order to achieve this objective, a fundamental condition is the complete agreement that must exist between the data recorded in the accounts and the factual reality existing in the unit. The main means by which the real situation of the patrimony is ascertained and which allows the comparison of the data obtained in this way with the accounting data, is represented by the inventory.*

***Keywords:** inventory, accounting, public domain, administrative-territorial unit*

***Clasificare JEL:** G31.*

### **1. Inventory of goods from the public domain of administrative-territorial units**

All assets belonging to administrative-territorial units are subject to annual inventory. The deliberative authority is presented annually, by the executive authority, with a report on the situation of asset management.

The inventory of the goods that make up the public domain of the administrative-territorial unit is drawn up and updated by a specially constituted commission, led by the executive authority or by another person empowered to exercise the respective powers, as the case may be.

The provided commission is constituted by the disposition of each executive authority of the administrative-territorial unit.

The provided commission has the obligation to update the inventory of the goods that make up the public domain of the administrative-territorial unit within no more than 90 days from the modification of the legal regime of the respective goods.

The planned inventory is certified by decision of the deliberative authority of each administrative-territorial unit.

The decision will be accompanied, under penalty of nullity, ascertained under the law, at least by the following documents:

a) documents proving the right of ownership, accompanied by extracts from the land register, showing the registration of the ownership right in the land register and the fact that the property in question is not encumbered by encumbrances;

b) self-responsible declaration of the general secretary of the administrative-territorial unit from which it appears that the asset in question is/was not the subject of any litigation at the time of the adoption of the decision.

As an exception to letter a, in the event that there are no documents proving the right of ownership of real estate in the public ownership of the commune, the city, the municipality or the county, these assets can be registered in the public domain of the commune, of the respective city, municipality or county, the inventory attestation decision

provided for is accompanied by a declaration on the personal responsibility of the general secretary of the administrative-territorial unit, regarding the following:

a) the property in question is not the subject of any litigation regarding its belonging to the public domain of the respective administrative-territorial unit at the date of signing the declaration;

b) the property in question is not the subject of requests for the reconstitution of the right of private ownership or for restitution submitted pursuant to the normative acts that regulate the legal regime of real estate taken over abusively by the Romanian state between March 6, 1945 and December 22, 1989.

The declaration on own responsibility, provided, signed by the general secretary of the administrative-territorial unit, will be accompanied by a report on compliance with reality for the respective property, drawn up for the purpose of assuming what has been declared, signed by the head of the relevant department in the authority's specialized apparatus executive. The statement explicitly mentions the existence of the report and other supporting documents, as appropriate.

The draft of the decision regarding the attestation of the inventory of the goods that make up the public domain of the administrative-territorial unit is also communicated to the ministry with attributions in the field of public administration, accompanied by the prescribed documents within 10 days at most.

The Ministry with attributions in the field of public administration transmits, within a maximum of 60 days from the registration of the provided communication, a point of view regarding the draft decision, as well as the documentation related to it, based on the consultation of the authorities and interested institutions regarding the legal situation of the asset/assets that are the subject of the decision.

The authorities and institutions consulted according to the provisions transmit the necessary information within a maximum of 30 days from the date of registration of the request to the ministry with attributions in the field of public administration. Failure to communicate information within this term corresponds to the absence of any objection to the requested information.

In the situation where the ministry with attributions in the field of public administration, from the point of view communicated, notices aspects that contravene the legal provisions in force, the local public administration authorities make the appropriate changes in the draft of the provided decision within a maximum of 45 days from the date of taking knowledge of it.

In the situation where the ministry with attributions in the field of public administration, from the point of view communicated, does not notice aspects that contravene the legal provisions in force, the deliberative authority, upon the proposal of the executive authority, adopts the decision certifying the inventory of the asset/assets in the public domain of administrative-territorial unit.

The non-transmission of the point of view by the ministry with attributions in the field of public administration within a maximum of 60 days from the registration of the provided communication corresponds to the situation of the absence of any objection to those requested.

Based on the provided decision, the executive authority requests the territorial office of the National Agency for Cadastre and Real Estate Advertising to make the appropriate changes in the cadastre and real estate advertising records.

Inventory of goods in the public domain of the administrative-territorial unit:

a) constitutes an annex to the statute of the administrative-territorial unit and is updated whenever legal events occur;

b) it is published on the internet page of the administrative-territorial unit, in a section dedicated to the respective statute.

## **2. The need, role and types of inventory**

Accounting, as the main management tool, must provide real information on the activity of the patrimonial unit, in order to adopt fundamental decisions from a scientific point of view. In order to achieve this objective, a fundamental condition is the complete agreement that must exist between the data recorded in the accounts and the factual reality existing in the entity.

The main means by which the real situation of the patrimony and the comparison of the data obtained in this way with the accounting data is determined, is the inventory. All these operations are carried out with the aim of evaluating the inventoried elements and agreeing the accounting data with the factual reality found. The necessity of inventorying the entity's heritage is explained by the special importance it presents for its practical activity.

First of all, it is the starting point for opening and organizing the operative and accounting record at the newly established patrimonial units.

At the beginning of the activity, the inventory has as its main object the establishment and evaluation of the patrimonial elements that constitute the contributions in kind and/or in money of the associations/shareholders or the private entrepreneur, depending on the form of organization of the economic unit.

Secondly, during the exercise, it is determined by the fact that certain differences may appear between the accounting data and the reality on the ground, plus or minus, even in the conditions of a good organization of the operative and accounting records, due to several causes among which we mention:

- changes made to the patrimonial elements of the unit, either as a result of natural causes (such as: drying, evaporation, weight loss, etc.), or due to subjective causes (such as: inaccurate measurements, theft of economic means);
- failure to prepare or defective preparation of some documents;
- non-registration or incorrect registration in the accounts of certain operations;
- the negligence and inattention of the managers who manage the assets and economic values.

### **2.1. The role of inventory is manifested in several directions, namely:**

- the inventory is a means of achieving the concordance of accounting data and other forms of economic evidence with the objective reality it represents;
- constitutes a means of control and verification of the integrity of the economic means, of the good management of the patrimony in order to strengthen the economic management, On this occasion, the responsibilities and measures for the recovery of the damage caused to the patrimony are established.
- the inventory contributes to the modernization of internal resources in that it allows the identification of non-moving, unusable or degradable material values, of hard-to-sell products and goods, etc., and their capitalization.
- the finding of temporary (reversible) depreciations of goods and economic values, during the inventory, is the basis for the establishment and recording of provisions for depreciations;
- through the inventory, the size of some economic indicators included in the accounting is determined.

On this basis, the determination of unfinished production takes place, which influences the exact calculation of costs and the final results.

- the inventory is a preliminary, mandatory work, to the preparation of the annual accounting balance sheet, contributing to the realization of the faithful image of the patrimony represented by the balance sheet;

- the inventory contributes to the observance of financial discipline and to the normal development of settlements, by discovering unpaid receivables, respectively, debts not paid on time;

Based on the inventory, a series of conclusions can be obtained for improving the organization of the current accounting, the operational record of the stocks, the management control, etc.

**2.2. The object of the inventory is the entire patrimony**, i.e. all the assets and liabilities available to the patrimonial unit, at the time of the inventory. In accounting theory and practice, inventory is classified according to several criteria:

- From the point of view of the period when it is carried out, the inventory is:

- annual
- periodic

- From the point of view of scope, the inventory can be:

- general
- partial

- **General inventory** According to the provisions of the Accounting Law no. 82/1991, republished, and of the Order of the Minister of Finance no. 2861 of October 9, 2022 for the approval of the Norms regarding the organization and performance of the inventory of elements of the nature of assets, liabilities and equity, the general inventory is carried out: at the beginning of the activity, at least once a year, on the occasion of the end of the financial year, during its operation, in case of merger, division or termination of the activity, as well as in other situations provided by law.

- **The partial inventory is carried out in the following situations:**

- a) in case of price changes;
- b) at the request of the control bodies, on the occasion of carrying out the control or other bodies provided by law;
- c) whenever there are indications that there are shortages or surpluses in management that can only be determined with certainty through an inventory;
- d) whenever there is a handover - reception of management;
- e) on the occasion of management reorganization;
- f) as a result of natural disasters or cases of force majeure.

According to the regulations of art. 8 para. (2) from the Accounting Law, the Ministry of Finance can approve, for public institutions, exceptions to the mandatory annual inventory rule, at the justified request of the patrimonial unit, with the approval of the general directorates of public finance and county state financial control, respectively of the Bucharest municipality.

If, in the aforementioned situations, all the patrimonial elements of a management are inventoried, this can take place of an annual inventory, with the approval of the administrator, the credit orderer or the person who has the obligation to manage the patrimony. The inventory register will contain the value of the actual stocks inventoried and entered in the inventory lists (code 14-3-12, 14-3-12/a and 14-3-12/b), updated with the inflows and outflows of goods from the period between the inventory date and December 31.

- **According to the nature of the elements subject to the inventory**, the following are distinguished:

- Inventory of material and monetary means, i.e.: tangible assets, patrimonial elements of the nature of stocks (raw materials, consumables, goods), securities, availability, etc. Their verification is done by factual and quantitative verification, and in the case of availability in bank accounts, it is done on the basis of documents (account statement).

- Inventory of receivables (customers, internal and external debtors), respectively of debts (suppliers, etc.) is done on the basis of documents and scores with partner legal or natural persons. These are realized in situations where invoices or other settlement documents are entered with reference to: their number and date, the amount to be settled or paid, as the case may be, as well as the settlement terms.

- Inventory of real estate, buildings and land.

➤ **According to the role of the inventory in the practical activity of the patrimonial unit:**

- Management control inventory, which is, in fact, a form of management control over the management of material assets and monetary values.

- The inventory of delivery - receipt of the management, is a mandatory operation in the case of the establishment of a management or the change of a manager.

- The inventory as an operation preceding the preparation of the annual accounting balance of the patrimonial unit, which aims to verify the agreement between the factual reality and the data recorded in the accounting.

In carrying out the inventory, certain conditions of principle must be respected, which lead to the increase of the efficiency of the inventory, among which we mention:

- o Establishing in advance the elements subject to the inventory, the limits of its expansion on the heritage. They are established, depending on the specifics of the activity, within an inventory plan, by the head of the financial and accounting department, approved by the unit's management, and are based on the objectives pursued through the inventory of the heritage;

- o Inventory commissions must have a composition that ensures the smooth running of inventory operations. In this sense, the aspect of the professional training (economic and technical) of its members is taken into account while respecting, at the same time, the principle of incompatibility of the inventory by the manager (he is not part of the commission, but effectively participates in its realization);

- o The inventory must be carried out in the shortest possible time in such a way that it does not prevent the normal development of the economic activity, of production and sale, etc.;

- o The inventory should be carried out correctly, and in the case of material and financial means, the verification should be done by direct observation of these elements. The inventory of material values is done at the place of storage and preservation.

- o In order to avoid attempts to cover possible management shortfalls or to evade extras, the unexpected nature of this operation must be respected, keeping the date secret.

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