

CASH TO ACCRUAL ACCOUNTING: DOES IT MEAN MORE CONTROL FOR THE PUBLIC SECTOR? THE CASE OF REVENUE FROM NON-EXCHANGE TRANSACTIONS

*Francesco Capalbo**, *Marco Sorrentino***

Abstract

Within the New Public Management, a fundamental role is played by changes in accounting measurement and recognition systems (in this case, the literature speaks specifically of New Public Financial Management). It has been substantially characterized by a gradual shift from cash to accrual accounting. In light of it, this paper aims to analyze some of the most significant conceptual and practical implications associated with the use of accrual accounting in the public sector – such as Italy's, where most entities still use cash accounting – by looking closely at that full-accrual standard that seem to best show the system's innovative reach: IPSAS 23 – Revenue from Non-Exchange Transactions (Taxes and Transfers). The switch-over broadens the scope of the accounting system, thereby leading to the recognition and consequent valuation of all the resources of any public-sector entity in its financial statements. As is often the case, though, greater utility implies greater complexity and innumerable elements of uncertainty are evidently still present.

Keywords: Cross-border Operations; Road Freight Transport; Supply Chain Cost; South Africa

* *PhD – Associate Professor in Accounting, Department of Economics, Second University of Naples, Italy*

Email: f.capalbo@francescocapalbo.it

** *PhD – Lecturer in Accounting, Department of Legal Sciences and Economics, Pegaso Telematic University, Italy*

Email: marco.sorrentino@unipegaso.it

1 Background and purposes of the paper

Starting in the early 1980s, the major English-speaking countries¹¹ adopted sweeping innovative processes in the public sector. In different ways and with different degrees of intensity, these processes eventually affected the great majority of the western democracies (Pina and Torres, 2003).¹² These changes, following the New Public Management (NPM) model (Anselmi 2003, Barzelay 2001, Gruening 2001, Hood 1995), were inspired by managerial approaches aimed at eliminating bureaucratic obstacles (Barzelay 1992) and raising efficiency, accountability and results-orientation in the complex world of public administration (Seccolini 2003).

A fundamental role in this reform process is played by changes in accounting measurement and recognition systems (in this case, the literature speaks specifically of New Public Financial Management – Guthrie, Humphrey and Olson 1998; Jackson and Lapsley 2003). It has been characterized by a gradual shift from cash accounting, which aims to control

processes, to accrual accounting, which is typically used in the for-profit sector and aims primarily to evaluate results (Pina and Torres 2003, Hepworth 2003).

Though the trend to adopt accrual accounting in the public sector has not been uniform in its path or its pace, over the years it has had an increasingly universal impact and can no longer be considered a prerogative of the English-speaking countries. To the contrary, the fact that a great part of the literature, both technical and academic, makes continuous reference to Australia and New Zealand as pioneers of a full-accrual accounting system may have limited the consideration and analysis of the experiences of a growing number of countries around the world that are now implementing this radical change, and in some cases have already done so (Carlin 2005; Deaconu, Nistor and Filip 2011; Grossi and Soverchia 2011; Osterkamp 2007; Paulsson 2006). Even in those parts of continental Europe and Latin America where historical, cultural and structural aspects have limited its diffusion, today it is hard to find instances of the use of a solely cash basis accounting system (Morphett 1998). Italy, for example, whose public sector is still tightly tied to cash accounting, recently took an important step forward by enacting Legislative Decree 118 dated 23 June 2011, which contains provisions regarding the

¹¹ Meaning here Australia, Canada, New Zealand, the United Kingdom and the United States.

¹² Regarding the process of putting public administrations in Italy on a business-like footing, see inter alia Anselmi 2001, Borgonovi 2005, Steccolini 2003.

harmonization of accounting systems used in the territorial government entities).
General Government Sector (meaning local and

Table 1. Public sector accrual accounting

Country	Introduction of accrual accounting in the public sector
Austria	Accrual accounting only partly introduced: assets are recognized, but no depreciation; stocks and provisions are not recognized, but income and expenditure are on an accrual basis.
Belgium	No or not known.
Czech Republic	Accrual accounting for fixed assets and stocks but not for tax revenues.
Denmark	During the 2000s.
Estonia	During the 2000s.
Finland	During the 1990s on central and sub-central level.
France	During the 1990s on local level; 2007 on central level.
Germany	After 2000 on local level; around 2005 in some federal states (Berlin, Bremen, Hamburg); no present consideration for the central level.
Hungary	Pure cash accounting on all levels of government.
Italy	After 2000 on local level; no present consideration for the central level.
Latvia	During the 2000s.
Lithuania	Accrual accounting for fixed assets and stocks but not for tax revenues.
Luxembourg	No or not known.
Malta	Under consideration.
Netherlands	During the 1980s on local level; planned introduction on the central level postponed.
Portugal	No or not known.
Romania	2007.
Slovenia	No or not known.
Spain	During the 1990s on central and sub-central level.
Sweden	During the 1970s on local level; during the 1990s on central level.
United Kingdom	In the early nineteenth century, accrual accounting in most major municipalities; shift to cash accounting in 1866. During the 1990s shift back to accrual accounting on central and sub-central level. The reform started in the early 1990s with the introduction of accrual accounting in the British National Health Service.
EU Commission	2005.
Switzerland	In some Cantons in the 1940s; all Cantons agreed to accrual accounting in 1977; after 2008 on national level.
Australia	1997, but only on the central level; on the local level the change is currently under way.
Canada	2001.
Chile	1973 during the economic reforms under Pinochet.
New Zealand	1990; at present on of the most advanced accrual accounting countries.
USA	1997, but only on the central level; on the local level the change is currently under way.

Source: The table has be compiled from: FEE 2007, Tiron-Tudor and Mutiu 2005 and Wynnie 2003.

This decree was intended to revise the structure and operation of the accounting systems used by Regions, provinces and municipalities (and their agencies). As of 2014, after a two-year period of experimentation (starting January 1st, 2012¹³), these

entities will be required to use accrual accounting alongside their chief accounting system – i.e., cash accounting – in order to increase the information content of their accounting reports as regards both their economic performance and changes in their net worth (Ranucci 2012¹⁴).

¹³ Pursuant to the Prime Minister's Decree dated 28 December 2011, 85 local-government entities (5 regions, 12 provinces and 68 municipalities) were involved in the two-year experiment (2012-2013). By 13 July 2012, six out of the 68 municipalities (Turin; Grazzanise; Sospirolo; Naples; Frosinone; Porto Cesareo) had been excluded from the experimentation

¹⁴ Encouraging the use of accrual accounting in the public sector was not a totally new idea in Italy. Law 142/1990 and Legislative Decree 77/1995 had already required local government entities to file balance sheets and income statements; these rules were reenacted in 2000 in the Consolidated Text on Local Government Entities ("TUEL")

The following table summarises the status of accrual accounting in the public sector of different

In this context, a fundamental role has been played by the International Public Sector Accounting Standards Board (IPSASB), the international standard-setter for the public sector. IPSASB was created in 1986 with the stated objective of serving “the public interest by developing high-quality accounting standards (called IPSASs) and other publications for use by public sector entities around the world in the preparation of general purpose financial reports” (IPSASBa 2012, p. 19). The standard setter brings together a large number of organizations that refer explicitly or implicitly to the IPSASs for their financial reporting. For example:

- around 30 countries have adopted or are soon to adopt the IPSASB standards, some directly (e.g., Switzerland, Slovakia and Austria) and others indirectly, by incorporating the IPSASs in their own national standards (e.g., South Africa, Brazil, Indonesia, Spain and Romania¹⁵);
- national and supranational entities and organizations such as the U.N., NATO, the OECD, Interpol and the European Commission¹⁶ already prepare their annual reports according to the international public-sector accounting standards;
- countries such as Australia, Canada, New Zealand and the United States, which have a long and authoritative standard-setting tradition, use the IPSASs as important references for public-sector reporting accounting.

At this writing, the accounting standards issued by the IPSASB include:

- 32 full accrual basis IPSASs;
- a single cash basis IPSAS; this standard is designed, however, for entities/countries that intend to adopt accrual accounting in the future.¹⁷

In light of the above, this paper analyses some of the most significant conceptual and practical implications associated with the use of accrual accounting in the public sector – such as Italy’s, where most entities still use cash accounting – by looking closely at that full-accrual standard that seem to best show the system’s innovative reach: IPSAS 23 – Revenue from Non-Exchange Transactions (Taxes and Transfers).

The switch-over broadens the scope of the accounting system, thereby leading to the recognition and consequent valuation of all the resources of any public-sector entity in its financial statements: no longer only its financial assets but also non-financial

countries.

ones, and resources which, accruing as a direct consequence of non-exchange transactions, can be recognized in financial statements when they occur and not only when cash or a cash equivalent is paid (as we shall see, this is the case of taxes).

2 IPSAS 23: revenue from non-exchange transactions, including taxes and transfers

2.1. Subject matter. Non-exchange transactions

The notable importance for most public-sector entities of revenue from non-exchange transactions and the absence of a relevant standard generally accepted at the international level led in 2002 to the creation of a steering committee within the IPSASB (known at the time as the PSC) that was assigned the task of drafting a first document on the subject. After more than four years of work,¹⁸ in December of 2006 the IPSASB issued IPSAS 23 (IPSASBd 2012). Like IPSAS 22 – Disclosure of Financial Information About the General Government Sector and IPSAS 24 – Presentation of Budget Information in Financial Statements, IPSAS 23 analyses the accounting treatment of a particular public-sector problem (namely non-exchange transactions) that does not correspond directly and unambiguously to any of the IASB standards.¹⁹

By the term “non-exchange transactions” the IPSASB means all transactions in which a business entity receives (or transfers) resources of known value from (to) another business entity without directly transferring (receiving) in exchange resources of approximately the same value.

Taxes are a typical example of non-exchange transaction. Taxes are the largest source of revenue for most governments and public-sector entities. The government’s sovereign power enables it to require individuals and entities under their jurisdiction (taxpayers) to pay their taxes. When taxpayers do so, they are transferring resources to the government without receiving in direct exchange benefits worth approximately the same value. The social services that taxpayers normally benefit from are not run by the government as *quid pro quos* for taxes it has collected.

¹⁵ A detailed analysis of the process implemented in Romania is contained in Deaconu, Nistor and Filip 2011.

¹⁶ For a specific analysis of the European Commission’s financial reporting reform process, which led the Commission to substantially adopt the IPSASs, see Grossi and Soverchia 2011.

¹⁷ For an analysis of the relationship between the accrual-basis IPSAS and the cash-basis IPSAS, see Pozzoli 2008, Chan 2008.

¹⁸ The Steering Committee wound up its work in January 2004 by issuing an Invitation to Comment (ITC), which was followed in January 2006 by *Exposure Draft (ED) 29 – Revenue from Non-Exchange Transactions (Including Taxes and Transfers)*

¹⁹ However, in the *Basis for Conclusions* the IPSASB notes that as it had done when defining IPSAS 23, it considered the provisions of two IAS/IPRS standards, namely IAS 20 – *Accounting for Government Grants and Disclosure of Government Assistance* and IAS 41 – *Agriculture*.

IPSAS 23's term for all other situations that imply resource inflows from non-exchange transactions is transfers. In particular, this standard analyses in detail:

- debt forgiveness
- fines
- bequests
- gifts and donations, including goods in kind
- services in kind.²⁰

2.2. The accounting effect of a non-exchange transaction: revenue or liability?

After ascertaining that a transaction has the characteristics for which it can be defined in essence²¹ as a "non-exchange transaction," it will be necessary to judge whether it meets a set of requirements that make it possible to classify it as an "accounting" transaction, so that its effects can be recorded in a general purpose financial report. In this sense, it will be necessary, following a sort of logical path, to take the following steps:

1. verify whether the resource inflows generated by a transaction of this kind satisfy the conditions necessary for them to be classified as assets;
2. if so, verify whether these assets have the features necessary for them to be recognized in the financial statement;
3. if so, recognize the assets in the statement of financial position and analyse their characteristics in detail, determining whether they give rise to:
 - a.a liability;
 - b. a revenue;
 - c.a combination of the two.

As to step 1, it should be remembered that the IPSASB identifies as the constituent elements of assets:

- future utility
- substantial control
- completeness of the event²².

Once the presence of these constituent elements has been verified, an entity operating in the public sector can record in its accounts (step 2) only assets:

- whose future economic benefits or associated service potential are likely to flow to the entity, and
- whose fair value can be reliably measured.

²⁰ IPSAS 23 does not apply to entity combinations that are the result of non-exchange transactions, as IPSASB has not yet explicitly treated this issue for the public sector.

²¹ The standard emphasizes again and again the need to examine a transaction's substance in order to judge whether it is or is not a non-exchange one. In this sense, the standard explicitly provides the possibility that transactions can represent contributions from owners instead of having a non-exchange nature.

²² "Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity", (IPSASBc, 2012: p. 31).

If these conditions are met, hence if the consummation of a non-exchange transaction leads to the generation of an accounting asset (i.e., a resource can be classified and accounted for as an asset), it will be necessary to analyse its characteristics in detail (step 3 above). In this sense, from an analysis of IPSAS 23 it is possible to ascertain the presence of two different macro-categories of assets (IPSASBd 2012: 695-696):

- the first includes all resources that are not subject to any kind of stipulation;
- the second includes all resources that are subject to specific stipulations expressed in terms of:
 - restrictions, meaning clauses that by virtue of precise legislative provisions or binding agreements with third parties (performance obligations) define the purposes for which a resource can be used;
 - conditions, meaning clauses that by virtue of precise legislative provisions or binding agreements with third parties (performance obligations) not only define the purposes for which a resource can be used, but also provide for its possible return to the original transferor if those purposes have not been satisfied (return obligation).²³

In this context, considering the aforesaid return obligation, IPSAS 23 holds that when the receiving entity acquires control of an asset that is subject to conditions, a present obligation arises for the entity to transfer the future economic benefits or service potential back to the transferring entity. If it is likely that to fulfil this obligation the entity that receives the asset subject to conditions will have to give up future economic benefits or service potential, and if it is possible to make a reliable estimate of the amount of the obligation, the receiving entity will have to recognize a liability in its statement of financial position.

By contrast, as regards assets subject to restrictions and all the more so those not subject to any stipulation, the receiving entity will simply recognize a revenue in the statement of financial performance. In this case, the IPSASB believes that the performance obligation per se (which characterizes assets subject to restrictions) does not have the characteristics necessary to give rise to a liability. A liability could arise only later on, if the receiving entity fails to use the resource obtained as prescribed, and if it is formally ordered for this reason to pay a penalty. In this case, the liability would arise as the consequence of the failure to comply with the restriction, not as an immediate effect of the acquisition of control over the resource received.

If the conditions refer to only part of the transferred resource, a revenue will be recorded in respect of the part not subject to any condition and a liability in respect of the part which, being subject to conditions,

²³ In this case too, as for the definition of the nature of non-exchange transactions, the standard expressly requires an analysis of the substantive nature of the clauses that affect the assets to be evaluated.

gives rise to a present obligation. Likewise, if a condition is supposed to be fulfilled gradually, not all at once, the liability originally recognized will be gradually reduced, and a revenue will be booked correspondingly.

Like the accounting treatment of inventories held for distribution (cf. section 2 above), the treatment of non-exchange transactions prescribed by Australia's Accounting Standards Board in AASB 1004 – Contributions differs from the one adopted by the IPSASB. AASB 1004 says that if an asset was obtained by effect of a non-reciprocal transfer, a revenue must always be recognized (AASB 2007b). In fact, the AASB holds that a transfer can give rise to a present obligation, hence to a liability for a not-for-profit entity, only if the transfer is reciprocal – that is, if the transferor and the transferee exchange resources whose value is approximately the same (AASB 1995; Newberry, 2001). By definition, a non-exchange transaction that is not reciprocal cannot give rise to a liability for the transferee, regardless of any constraints that may exist on the transferred resource.

Likewise, the accounting treatment to be used if resources are received prior to the event that gives an entity substantive control over them (e.g., the signature of a binding agreement between the parties) is quite different. While IPSAS 23 says that in such case a liability arises, the AASB is consistent in prescribing the booking of a revenue for the same reasons mentioned above.

2.3. Measurement of resources obtained through non-exchange transactions

IPSASB prescribes that an asset acquired through a non-exchange transaction should be measured initially at its fair value as at the date of acquisition. Consistently with the IASB's approach, to whose general principles it openly adheres, the IPSASB believes that the use of fair value reflects the substance of the transaction and its consequences for the receiving entity. In fact, in a commercial transaction there is a widespread presumption that the purchase cost essentially coincides with its fair value at the moment when it is initially measured (fresh-start measurement). However, by definition in a non-exchange transaction the price paid to acquire an asset does not coincide, even approximately, with its fair value. Hence, according to the IPSASB, the use of fair value makes it possible to guarantee a more faithful accounting view of the effects generated by a non-exchange transaction.

If the particular characteristics of the asset determine the recognition of a liability (asset subject to conditions), the liability will be measured on the basis of the best estimate of the amount required to fulfil the present obligation that underlies it (IPSASBd 2012: 705). This estimate must take account of the risks and uncertainties that

characterize the obligation and, if relevant, of the present value of the money.

Lastly, if a revenue is booked for an asset acquired in a non-exchange transaction (whether the asset is subject to or free of restrictions), that positive component must be posted in the statement of financial performance at the amount of the increase in net assets recognized by the entity, in other words at its fair value (IPSASBd 2012: 704).

2.4. Typical examples of non-exchange transactions: taxes and transfers

IPSAS 23 analyses in detail some types of transaction that it considers highly representative of the more general category of non-exchange transactions.

One type that plays a fundamental role is taxes, because they constitute the main source of revenue for most public-sector entities. As underlined above, taxes have the characteristics that IPSAS 23 requires for them to be classified as non-exchange transactions. Moreover, the effect of accrual-basis accounting for this particular type of non-exchange transaction is perhaps one of the major innovative aspects related to the use of this system for the public sector. In fact, because of the IPSASB's current definition of the term "asset," in particular of the concept of substantive control of an asset due to a past event, a public-sector entity would be able to recognize in its statement of financial position the resources deriving from taxation even before such resources have been financially paid. This circumstance, considering the large impact that taxes have on the accounts of most public-sector entities (with specific reference to central and/or local government units), will have a revolutionary effect, especially in contexts (like Italy's) that are still anchored to using cash accounting for this particular type of transaction.

IPSAS 23 uses the term "taxable event" to define the past event that gives rise to substantive control of an asset deriving from the exercise of the fiscal activity of a public sector entity, and is therefore the first possible moment when the entity could recognize the asset in its statement of financial position (provided that it meets the general conditions for recognition). With reference to the more common kinds of taxes, the taxable event is identified in (IPSASBd 2012: 707):

- the taxpayer's generation of taxable income during the tax period, as regards income tax;
- the taxpayer's engagement in a taxable activity during the tax period, as regards Value Added Tax;
- the cross-border shipment of goods or services, as regards customs duties;
- the death of the owner of taxable properties, as regards estate taxes.

Regarding evaluation, IPSAS 23, in line with its general provisions, prescribes that an asset arising from a tax transaction be measured on the basis of the best estimate of the resource flow that a business

entity believes it can obtain, taking due account of the probability that such resources will indeed accrue to the entity and of their fair value .

However, the transition from conceptual indications to practical application is not immediate. The resources generated by taxes, characterized by a timing gap between taxable event and actual payment (most importantly, income taxes), present particular problems, especially with reference to their reliable measurement. In this case, IPSASB provides that public sector entities can prepare statistical models based on historical evidence, which they can use in order to obtain a reliable measurement of such resources. In defining such models, a public sector entity should take due account of, *inter alia* IPSASBd 2012: 709):

- the actual moment when it believes it will collect the tax;
- the possibility allowed to taxpayers to defer their tax payments;
- taxpayers' possible lateness in filing their tax returns;
- the complexity of tax regulations that cause long delays in the proper definition of the amount of taxes due from taxpayers.

Any mistakes caused by measurements based on the use of such models will have to be corrected consistently with the relevant provisions of IPSAS 3 – Accounting Policies, Changes in Accounting Estimates and Errors).

The accounting relevance that taxes assume in the public context is also demonstrated indirectly by the residual definition that IPSASB gives to the term transfers, for it identifies them with all the situations other than taxes that determine resource inflows produced by non-exchange transactions.

Within this macro-category of non-exchange transactions, IPSAS 23 analyses in detail:

- debt forgiveness; that is, the situation when a creditor waives without adequate compensation a credit claimed against a public sector entity. In this case, the entity recognizes revenue measured at the carrying amount of the forgiven debt ;
- fines: the future economic benefits or service potential received or receivable by a public sector entity as the result of the decision of a court or of any other entity empowered to require compliance with the law, due to violation of legislative or regulatory provisions by an individual or a business entity. In general, fines entail the transfer of financial resources, are immediately measurable and not associated with any restriction;
- bequests: transfers made on the basis of a deceased person's last will. The past event by whose effect an entity normally acquires substantive control of the bequest is the testator's death or the official recognition of his or her will. These resources are to be booked at their fair value;
- gifts and donations, including goods in kind: voluntary transfers made in cash and/or in kind,

normally free of any restriction. The past event by whose effect an entity normally acquires substantive control of a gift is its receipt. These resources are to be booked at their fair value.

Services in kind are treated separately. The term means services that single individuals (or other business entities) provide to public sector entities in the context of non-exchange transactions (without obtaining in exchange any price, or a price of different value). The undeniable uncertainty associated with the possibility of exercising effective control over such services, and with the possibility of arriving at a reliable valuation of them, led IPSAS 23 to allow (not require) public sector entities to account for such services in their accounts, and to encourage the entities in any case to report them in the explanatory notes to the financial statements.²⁴

3 Concluding remarks

In recent decades the international public sector has experienced a gradual transition from cash to accrual accounting. It is a widely accepted (albeit not unanimous) opinion in the literature (Barton 2005; Brown 2005; Carnegie and West 2003; Christiaens and Rommel 2008; Guthrie 1993 and 1998; Jones and Puglisi 1997; Lapslay, Mussari and Paulsson 2009; Ma and Matthews 1993; McCrae and Aiken 1994; Mellett 1997; Ter Bogt and Van Helden 2000; Walker 1988) that the recognition and reporting of monetary/financial aspects alone cannot satisfy the growing demand for accountability voiced by the public sector's increasingly numerous and exigent stakeholders (Mussari 2003; Mulgan 2000, Pezzani 2005). The recognition of business operations by accrual accounting requires broadening the subject matter of the accounting system: going beyond the simple dynamic of financial inflows and outflows, the accrual accounting system makes it possible to represent an entity's total worth and its year-to-year changes in quantitative terms (Capalbo 2012, Clark-Lewis 1996, Palumbo 2005). As a result, it seems fair to see advantages in terms of:

- external (or political) accountability, if the body politic can benefit from the appropriate extension of reporting obligations to include all the resources that have been entrusted to the relevant government body;
- internal (or managerial) accountability, if all government bodies, being able to base themselves on information systems that make it possible to develop a full-cost configuration of the functions they perform and the services they deliver (Pina and Torres 2003), can monitor more adequately and prospectively the results achieved by the managers

²⁴ To ensure greater transparency and increasingly complete accountability of the financial statements of public sector entities, IPSAS 23 also requires them to disclose additional information in the explanatory notes (IPSASBd 2012: 713-715).

they employ, and evaluate a public sector entity's real capacity to be self-sufficient during the current year and in the future (Caperchione 2000, Pavan and Reginato 2005, Provasoli 2003).

In this context, since 2001 the Public Sector Committee (now IPSASB) has issued a series of International Public Sector Accounting Standards, inspired explicitly by the already tried and tested international accounting standards for the for-profit sector (IAS/IFRS).

Because of the increasing relevance that the positions taken in these standards are acquiring not only at the international level but also and especially in Italy, this paper analysed one of the 32 accrual standards currently in force (IPSAS 23), highlighting the main conceptual and practical innovations they propose and identifying their problematic aspects.

In this sense, they offer many advantages in terms of accountability, for example the possibility of using statistical models to quantify (and report in general purpose financial reports) resources (for instance, taxes) that can be recognized in financial statements when they materialize, not only when cash or a cash equivalent is paid (IPSAS 23).

As is often the case, though, greater utility implies greater complexity, which appears, for instance, when different accounting systems interpret the same management event in different ways (for example, the Australian standard setter treats assets subject to restrictions and/or conditions differently from the IPSASB), and in their use of different configurations of value to quantify the resources included in a public sector entity's net worth (e.g., fair value for assets acquired through non-exchange transactions, historical cost, net realizable value or current replacement cost for inventories). Innumerable elements of uncertainty are evidently still present.

References

1. AASB (1995), *Statement of Accounting Concepts SAC 4 – Definition and Recognition of the Elements of Financial Statements*, AARF, Caulfield.
2. AASB (2007a), *Australian Accounting Standard AASB 102 – Inventories*, AASB, Melbourne.
3. AASB (2007b), *Australian Accounting Standard AASB 1004 – Contributions*, AASB, Melbourne.
4. Anselmi L. (2001), *L'azienda comune. Principi e metodologie economico aziendali per gli enti locali*, Maggioli, Rimini.
5. Anselmi L. (2003), *Percorsi aziendali per le pubbliche amministrazioni*, Giappichelli, Torino.
6. Barton A. (2005), Issues in Accrual Accounting and Budgeting by Government, *Agenda*, Vol. 12, No. 3 [211-226].
7. Barzelay M. (1992), *Breaking through bureaucracy*, University of California Press, Berkeley.
8. Barzelay M. (2001), *The New Public Management. Improving Research and Policy Dialogue*, University of California Press, Berkeley.
9. Borognoni E. (2005), *Principi e sistemi aziendali per le amministrazioni pubbliche*, Egea, Milano.
10. Brown R. (2005), Enron/Andersen: Crisis in U.S. Accounting and Lessons for Government, *Public Budgeting & Finance*, No. Fall [20-32].
11. Capalbo F. (eds.) (2012a), *Le attese svanite dell'applicazione dell'Accrual Accounting al settore pubblico. Esperienze internazionali a confronto con la realtà italiana*, Giappichelli, Torino.
12. Capalbo F. (2012b), L'equilibrio instabile delle società partecipate pubbliche tra insolvenza genetica e ricapitalizzazioni per perdite: le responsabilità dei sistemi contabili, *Rivista Italiana di Ragioneria e di Economia Aziendale*, No.7-8 [347-357].
13. Caperchione E. (2000), I risultati della ricerca, in Caperchione, E., Pezzani, F. (eds.), *Responsabilità e trasparenza nella gestione dell'ente locale*, Egea, Milano.
14. Carlin T. (2005), Debating the impact of accrual accounting and reporting in the Public Sector, *Financial Accountability & Management*, Vol. 21, No. 3 [309-336].
15. Carnegie G.D., West B. (2003), How Well Does Accrual Accounting Fit the Public Sector?, *Australian Journal of Public Administration*, Vol. 62, No 2 [83-86].
16. Chan L.J. (2008), International Public Sector Accounting Standards: Conceptual and Institutional Issues, in D'Amore M. (eds.), *The Harmonization of Government Accounting and the Role of IPSAS*, McGraw-Hill, Milano [19-34].
17. Christianens J., Rommel J. (2008), Accrual Accounting Reforms: Only for Businesslike (parts of) Governments, *Financial Accountability & Management*, Vol. 24, No. 1 [59-75].
18. Clark-Lewis M. (1996), Government accrual reports: Are they better than cash?, *Australian Journal of Public Administration*, Vol. 55, No. 1 [86-87].
19. Deaconu A., Nistor C. S., Filip C. (2011), The impact of Accrual Accounting on Public Sector Management. An exploratory study for Romania, *Transylvanian Review of Administrative Sciences*, Vol. 32, No. E [74-97].
20. FEE (2007), *Accrual Accounting in the Public Sector*, Federation des Experts des Comptables Europeens Public Sector Committee.
21. Grossi G., Soverchia M. (2011), European Commission Adoption of IPSAS to Reform Financial Reporting, *Abacus*, Vol. 47, No. 4 [525-552].
22. Gruening (2001), Origin and theoretical basis of NPM, *International Public Management Journal*, Vol. 4, No. 1 [1-25].
23. Guthrie J. (1993), Australian Public Sector Accounting: Transformations and Managerialism, *Accounting Research Journal*, Vol. 6, No. 2 [15-25].
24. Guthrie J. (1998), Application of Accrual Accounting in the Australian Public Sector – Rhetoric or Reality?, *Financial Accountability & Management*, Vol. 14, No. 1 [1-19].
25. Guthrie J., Humphrey C., Olson, O. (1998), *Global Warning: Debating International Developments in New Public Financial Management*, Cappelen Akademisk Forlag, Bergen.
26. Hepworth N. (2003), Preconditions for successful implementation of accrual accounting in Central Government, *Public Money and Management*, No. January [37-43].

27. Hood C. (1995), The New Public Management in the 1980s: Variations on a Theme, *Accounting, Organizations and Society*, Vol. 20, No. 2/3 [93-109].
28. IPSASB (2012a), *2012 IFAC Handbook of International Public Sector Accounting Pronouncements*, IFAC, New York.
29. IPSASB (2012c), *International Public Sector Accounting Standard 1 – Presentation of Financial Statements*, in IPSASB, *2012 IFAC Handbook of International Public Sector Accounting Pronouncements*, IFAC, New York [24-83].
30. IPSASB (2012d), *International Public Sector Accounting Standard 23 – Revenue from Non-Exchange Transactions (Taxes and Transfers)*, in IPSASB, *2012 IFAC Handbook of International Public Sector Accounting Pronouncements*, IFAC, New York [688-745].
31. Lapsley I., Mussari R., Paulsson G. (2009), On the Adoption of Accrual Accounting in the Public Sector: A Self-Evident and Problematic Reform, *European Accounting Review*, Vol. 18, No. 4 [719-723].
32. Jackson A., Lapsley I. (2003), The diffusion of accounting practices in the new ‘managerial’ public sector, *International Journal of Public Sector Management*, Vol. 16, No. 5 [359-372].
33. Jones S., Puglisi N. (1997), The Relevance of AAS 29 to the Australian Public Sector: A Case for Doubt?, *Abacus*, Vol. 33, No. 1 [115-132].
34. Ma, R., Matthews R. (1993), Financial Reporting by Government Departments: ED 55 – A Dissenting View, *Australian Journal of Corporate Law*, Vol. 3, No. 1 [67-88].
35. McCrae M., Aiken M. (1994), AAS 29 and Public Sector Reporting: Unresolved Issues, *Australian Accounting Review*, Vol.4, No. 2 [65-72].
36. Mellett H. (1997), The Role of Resource Accounting in the U.K Government’s Quest for Better Accounting, *Accounting and Business Research*, Vol.27, No. 2 [157-168].
37. Morphet S. (1998), Public Sector Accounting: Developing New Standards, *Australian CPA*, April [32-33].
38. Mulgan R. (2000), Comparing Accountability in the Public and Private Sectors, *Australian Journal of Public Administration*, Vol. 59, No. 1 [87-97].
39. Mussari R. (2003), La contabilità pubblica locale in Europa: tendenze in atto e difficoltà operative, *Azienditalia*, Vol. 10 [596-600].
40. Newberry S. (2001), Public-sector accounting: A common reporting framework?, *Australian Accounting Review*, Vol. 11, No. 1 [2-7].
41. Osterkamp R. (2007), Accrual Accounting in the Public Sector, *CESifo DICE REPORT – Journal for Institutional Comparisons*, Vol. 5, No. 3 [43-45].
42. Palumbo R. (2005), *Approcci prospettivo, retrospettivo e prudenziale nella elaborazione dei paradigmi contabili*, Giappichelli, Torino.
43. Paulsson G. (2006), Accrual Accounting in the Public Sector: Experiences from the Central Government in Sweden, *Financial Accountability & Management*, Vol. 22, No. 1 [47-62].
44. Pavan A., Reginato E. (2005), *Prospettive di accountability ed efficienza nello Stato italiano*, Giuffrè, Milano.
45. Pezzani F. (eds.) (2005), *L’accountability delle Amministrazioni Pubbliche*, Egea, Milano.
46. Pina V., Torres L. (2003), Reshaping Public Sector Accounting: An International Comparative View, *Canadian Journal of Administrative Sciences*, Vol. 20, No. 4 [334-350].
47. Pozzoli S. (2008), The International Public Sector Accounting Standards between “Convergence” and Conceptual Framework, in D’Amore M. (eds.), *The Harmonization of Government Accounting and the Role of IPSAS*, McGraw-Hill, Milano [3-18].
48. Provasoli A. (2003), I Sistemi Informativo-Contabili delle Amministrazioni Pubbliche Italiane e il Ruolo dell’OIC, *Relazione presentata al Convegno Internazionale “I Principi Contabili per le Pubbliche Amministrazioni: Statuizione, Riconoscimento e Applicazione nel contesto italiano ed internazionale”*, Ferrara, 12-13 Dicembre.
49. Ranucci S. (2012), Le caratteristiche del sistema di contabilità economico patrimoniale previsto dal D.Lgs. n. 118/2011, *Azienditalia*, Vol. 19, No. 3 [227-232].
50. Steccolini I. (2003), Alla ricerca dell’accountability dall’Italia agli antipodi, in Pezzani F. (eds.), *L’accountability delle amministrazioni pubbliche*, Egea, Milano.
51. Ter Bogt H. J., Van Helden G. J. (2000), Accounting Change in Dutch Government: Exploring the Gap Between Expectations and Realizations, *Management Accounting Research*, Vol. 11, No. 2 [263-279].
52. Tiron-Tudor A., Mutiu A. (2005), Cash versus accrual accounting for public sector, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=906813.
53. Walker R. (1988), *Accrual Accounting, Report of the Proceedings of the Accrual Accounting Seminar, NSW PAC Report 38*, Government Printer, Sydney.
54. Wynne, A. (2003), Do Private Sector Financial Statements Provide a Suitable Model for Public Sector Accounts?, Paper for a Conference on Public Law and the Modernizing State in Oeiras, Portugal, 3-6 Sept. 2003.