



ACCOUNTING INFORMATION FOR DECISION MAKING PROCESS IN CROATIAN PUBLIC HOSPITALS

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Introduction

- The purpose of this paper is to show the current state of usage of accounting information for decision making process in Croatian public hospitals.
- In addition, the paper aim is to provide benefits from quality accounting information in public hospitals and to give some recommendations for its usage in Croatian public hospitals.
- The objective of this research was to question the perspective of hospital management about the quality of accounting information for decision making process that are currently available to them through accounting information system and accounting legislation for public hospitals in Croatia.

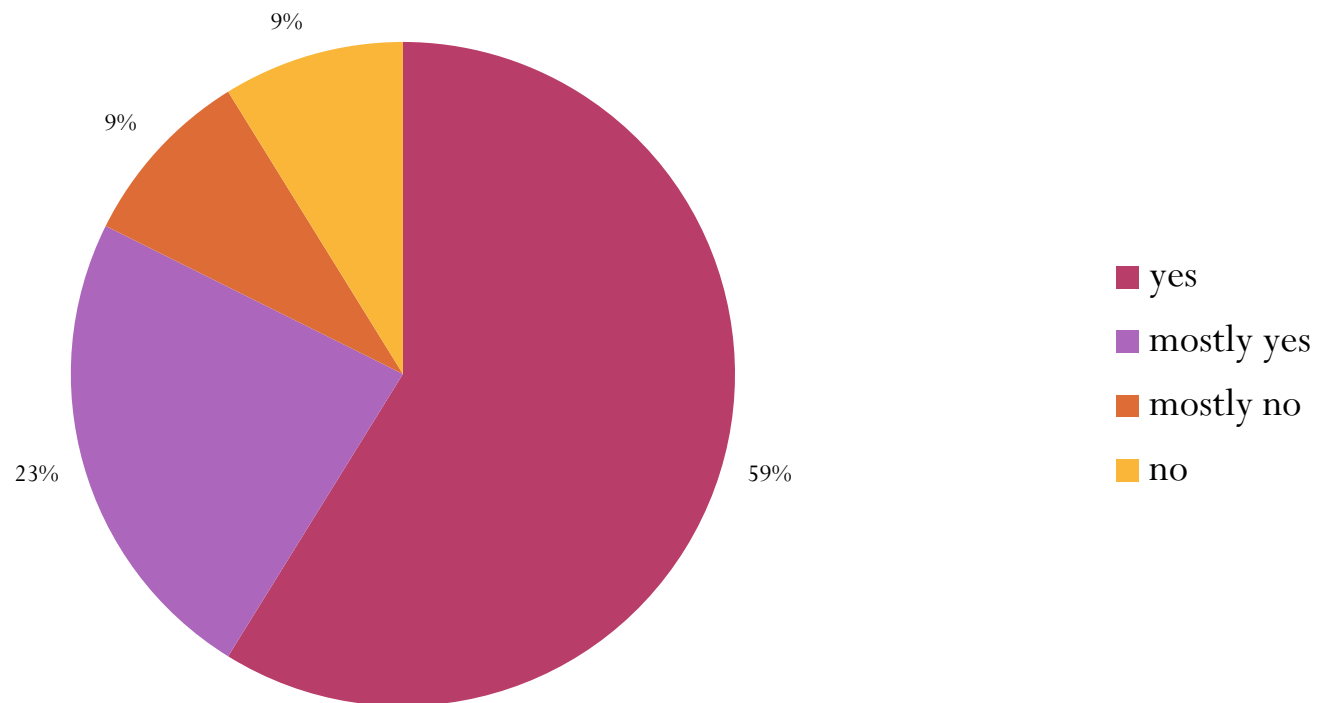
Current accounting system in NHS

- Modified accrual basis VS. accrual basis
- The basic features of accounting system show that it is impossible to directly confront revenues and the associated expenses, which is a fundamental premise for expressing real financial results.
- The expenditures incurred in the operation of earning income during the reporting period are recognized immediately after the occurrence, while in order for revenues to be recognized, claims must be charged.

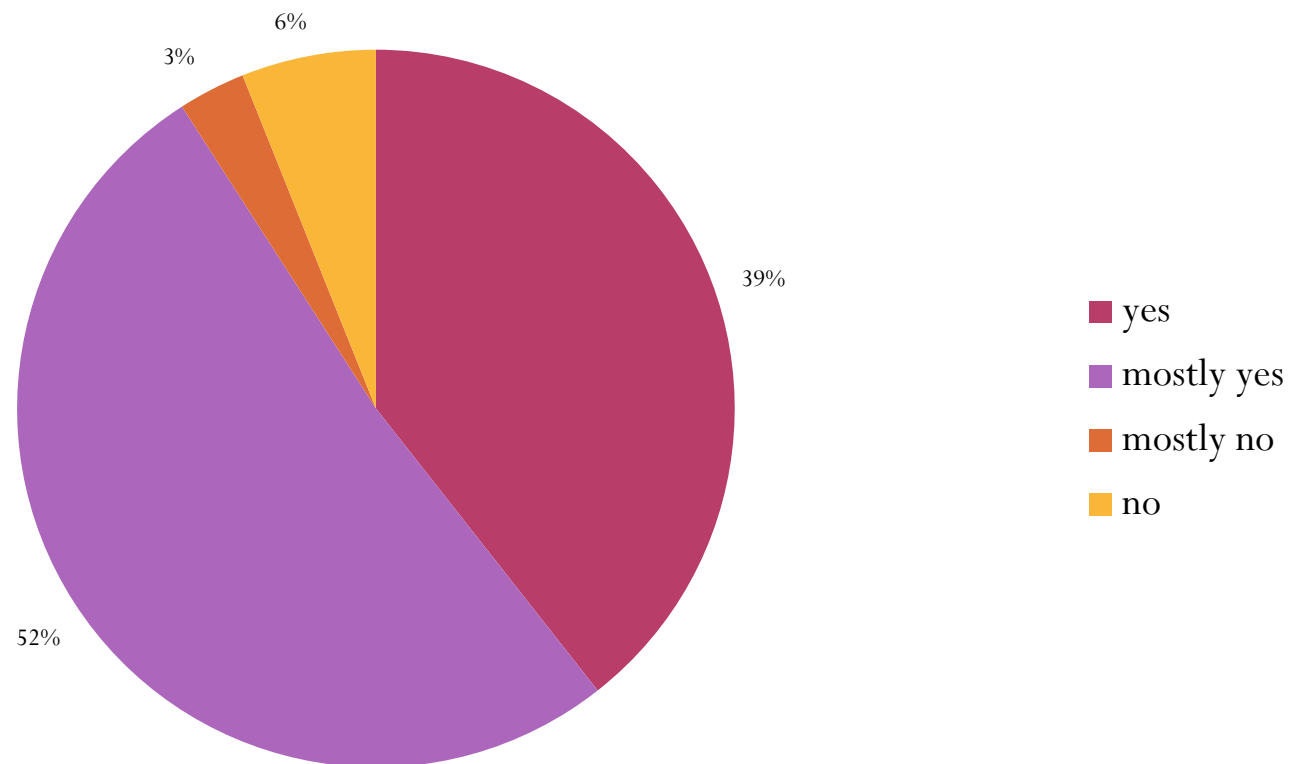
Research methodology and data

- The principal area of research is to present the current opinion management in Croatian public health care institutions (hospitals) about usage of accounting information in decision making process.
- To determine all of the above, an empirical survey using questionnaires was done in January 2017 in all Croatian public hospitals in order to gather the necessary data.
- The questionnaires were sent by e-mail in an online form to accountant and financial officers in 57 Croatian public hospitals. Out of 57 public hospitals (59.65%) 34 responded to the questionnaire.

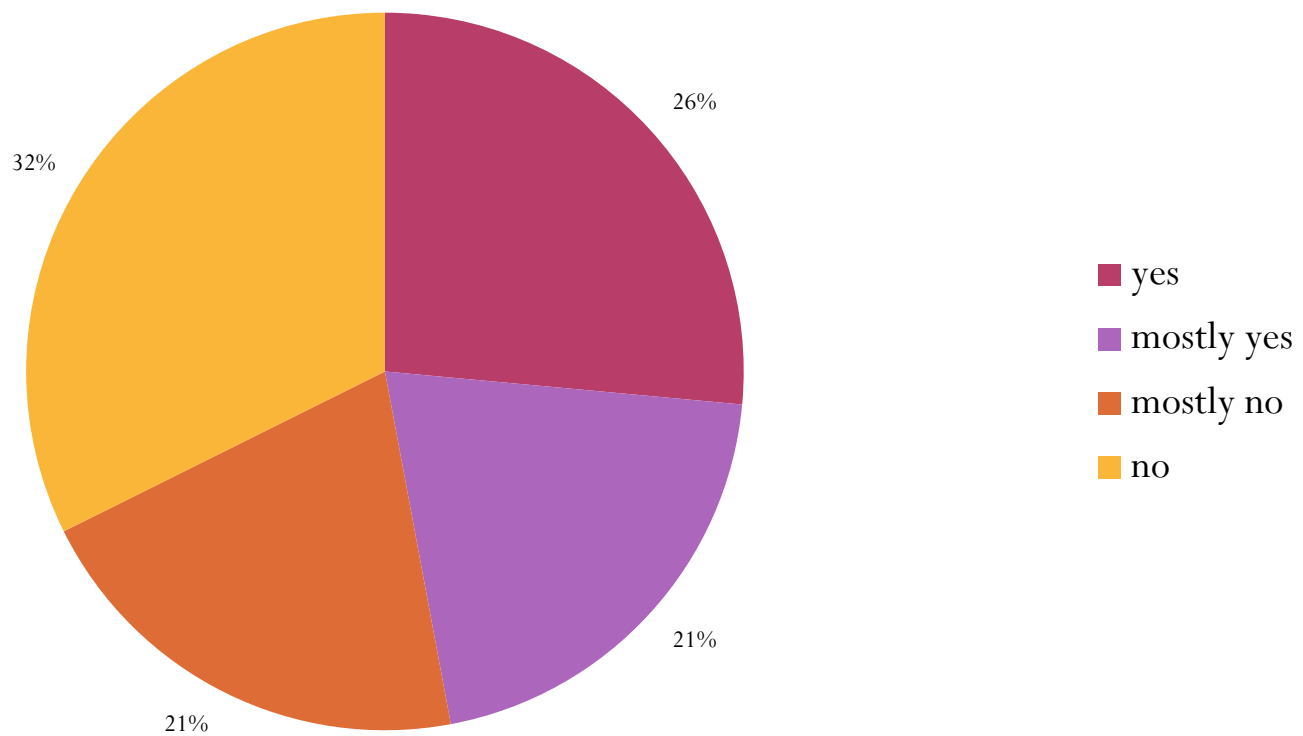
Financial reports are expressing your financial position and success of your hospital objectively



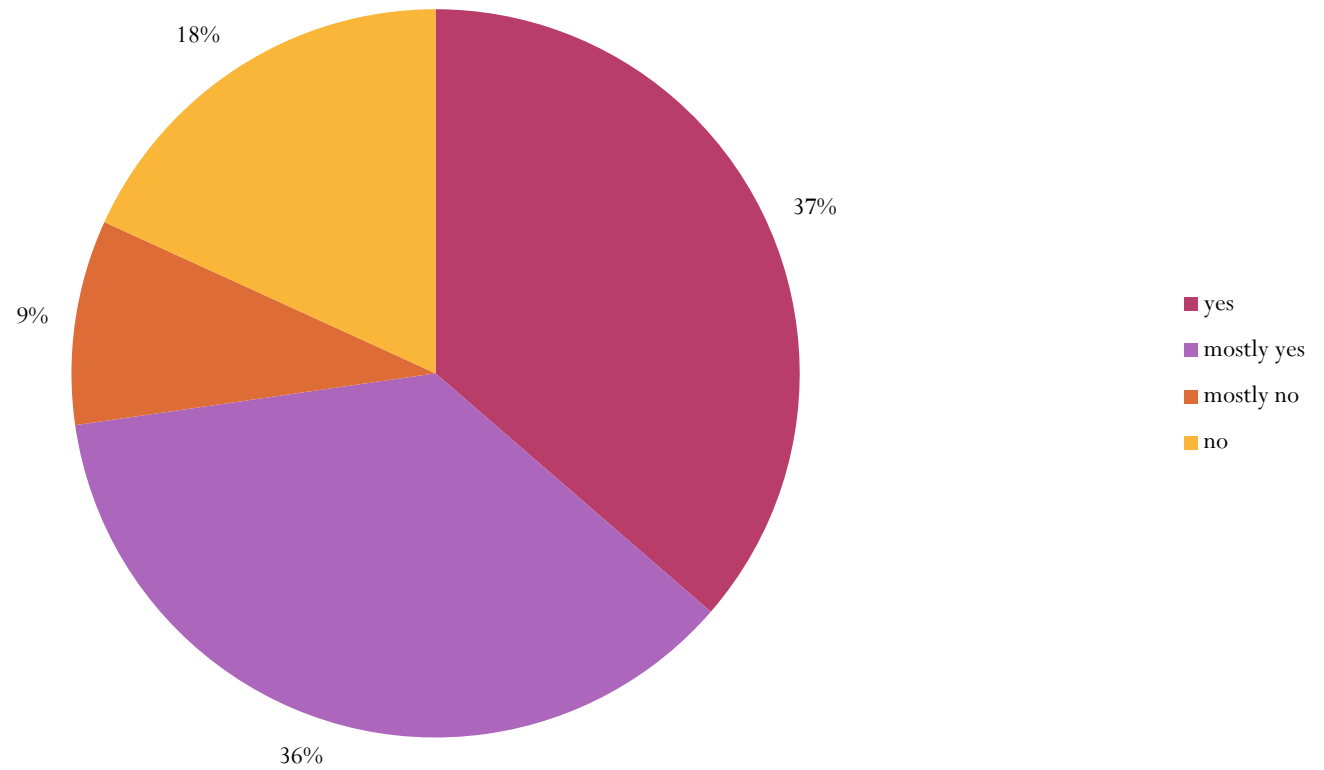
Is the existing system for recognition of expensess appropriate?



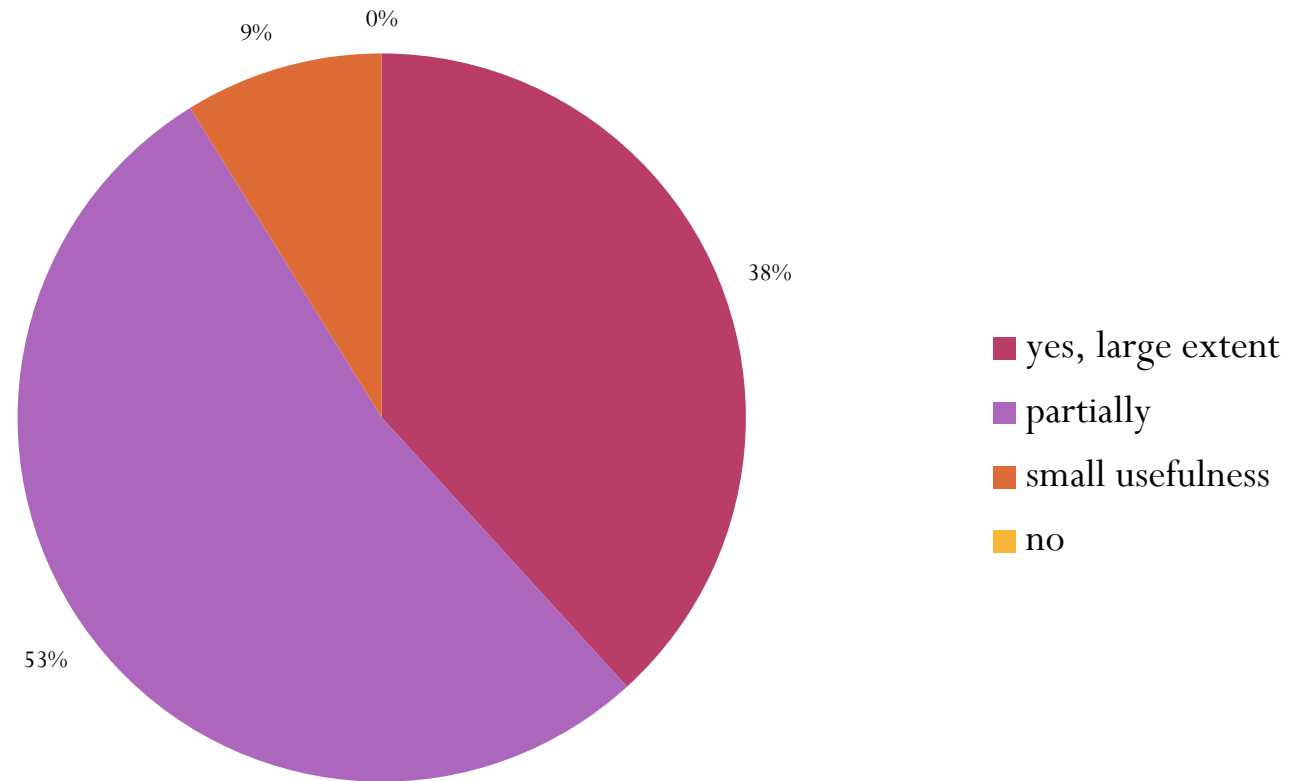
Do you think it is appropriate not to recognize depreciation?



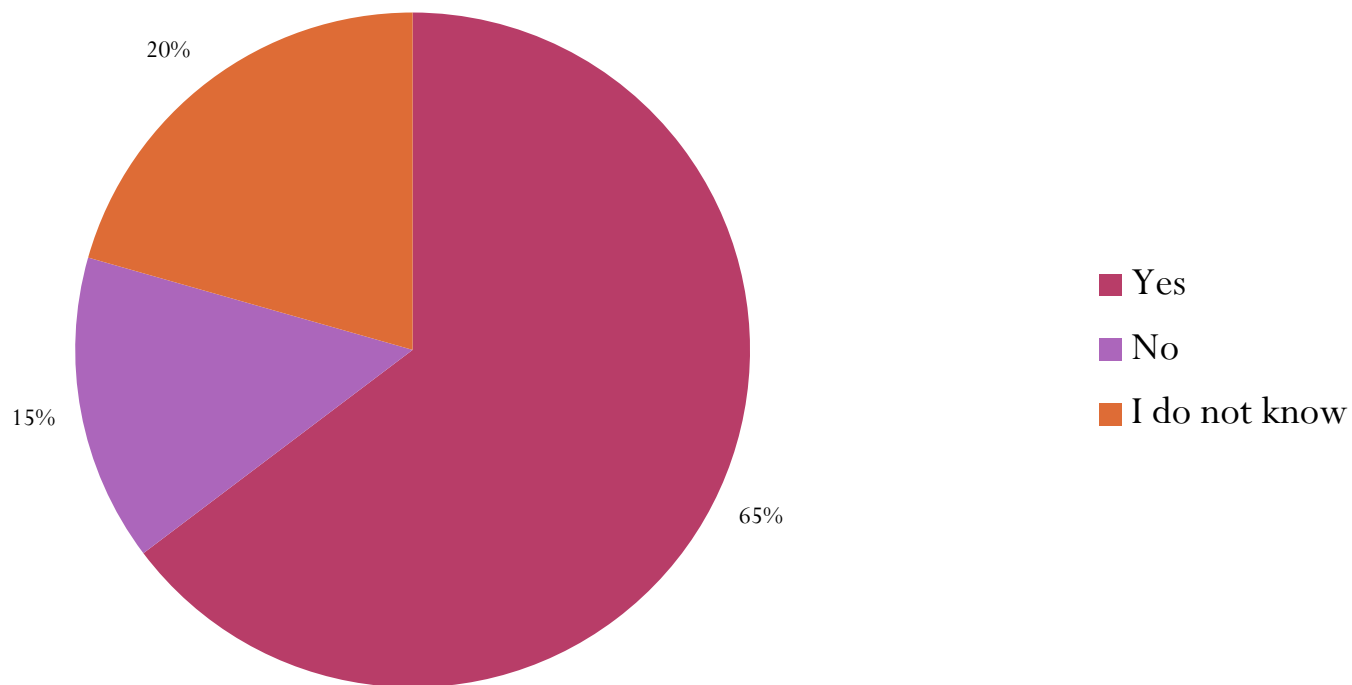
Is the existing system for recognition of revenues appropriate?



**Do you consider financial reports useful for decision making process
in your hospital?**



Do you think that existing budgetary accounting should be changed to accrual basis to expand accounting information?



conclusion

- It can be concluded that in the Croatian public hospitals recording of business events and reporting is carried out according to the modified accrual basis which greatly complicates monitoring the efficiency and financial sustainability of public hospitals.
- From the research results, it can be concluded that management of public hospitals is using accounting information for decision making purpose but still recognizing its pitfalls.

- The goal is establishment of quality financial and economical stable and sustainable functioning of Croatian public hospitals.
- In achieving this goal, special emphasis is made on efficient management with public hospitals.
- That implies the necessity for development of information basis in accounting for generating managerial information's for decision – making process.