

THE IMAGE OF THE ACCOUNTING PROFESSIONAL IN THE ACTIVITY OF AN ECONOMIC ENTITY

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Abstract

This paper addresses issues related to the role of the accounting professional, who has attributions related to the preparation of annual financial statements - as a result of the effort to provide a true image related to the patrimony of an economic entity. Besides the synthesis of the literature on the perception of the specialists in the field regarding the professional accountants, the paper presents the results of the research on the role of the accounting professional in the data collection and processing, the provision of the information necessary for the decision-making process, the elaboration of the synthesis and reporting documents and the participation in the decision-making process.

Keywords: *accounting professional, image, economic entity, annual financial accounts.*

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1. INTRODUCTION

The main protagonists in the entire complexity of functions accounting information is called upon to fulfil are its producers and users.

The information producers are the accountants, professionals who have and need to have the knowledge and at the same time the moral qualities required to practice in good faith the profession and qualification of accountant. From the organisational and legal point of view, based on the Accounting Law no. 82 of 1991, updated, the books are kept, as the case may be, by the persons employed with individual labour contracts in the economic entities or on the basis of contracts of services of authorized legal or natural persons.

All of them ensure the formation of the accounting information supply by which we understand all the accounting information obtained within the accounting system, as well as the means of disseminating this information.

The accountant (or auditor), in the process of building the accounting information, has to harmonize several interests, often divergent, related to the use of the accounting information: the interest of the customer (the manager) from which he/she receives the remuneration, his/her own professional interest (securing the professional prestige and the revenue maximization) and the general interest represented by all other users of accounting information (shareholders, bankers, tax officers, employees, etc.). Therefore, the accounting ethics of the professional accountant is ensured by applying and complying with accounting regulations, in terms of independence and professional competence.

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The accounting ethics expresses the set of rules and usances that regulate the relationship between the accounting professional, the producer of the accounting information and its user. By professional ethics, the accounting professional must impose a manner of work compatible with the good repute of the profession, avoiding any activity that may harm this reputation.

According to this code, the conduct of accounting professionals and the professional relationships with others must be characterized by: *Integrity*: to be righteous, honest and sincere in the performance of the work; *Objectivity*: not to cave before certain prejudices or a priori opinions; *Independence*: to be free from any interest, such as: direct or indirect financial involvement in the activity of a customer; involvement as a member of the executive or as an employee; incidence of family relationships; level of remunerations received; acceptance of works based on unspecified fees; *Professional secrecy*: to observe the confidential nature of the information obtained; to promote professionalism and professional competence; The defence of the honour and independence of the body must be proven by: expertise, competence and consciousness; independence of spirit and material disinterest; Morality, probity and dignity (Horomnea (2003)).

The professional accountant is one of the stakeholders of the economic society, whose role and importance are perceived differently worldwide, due to predominantly subjective factors. The literature comprises a number of real-world studies, which aim at determining the image of the professional accountant in the world. Research on professional accountants is important for understanding modern society as they have become a powerful economic and social force (Cooper and Robson (2006)).

The professional accountant is identified and placed in the literature as part of evolutionary science and society. So it is identified by Baldvinsdottir, Burns, Norreklit and Scapens (2009) who have emphasized in their research the "social" development of the accountant namely: between 1970-1980 the accountant was a responsible and sensible person, beginning with 1990, he was a trained as a man of action, in a recent publication being identified a hedonistic image of the professional accountant. But professional accountants have learned to avoid making independent judgments about fairness, thus becoming checkers of rules, this situation seriously damaging the field as a science and in particular, as a profession.

In Romania, the image of the accounting profession is divided disproportionately into a positive one (30%) demonstrated by dedicated practitioners in the field and those who consider accounting professionals' activity notorious for the evolution of the business, and another, a negative one, stated without embarrassment by about 70% of the population. In this respect, Albu and Albu (2009) conducted a study that allowed the identification of the image of the professional accountant in Romania, branded as a "plodder" and also the setting of premises in order to change this image to achieve a more odelled perception, particularly in the leading members of the company. Thus, the implementation of advanced IT solutions, ERP – Enterprise Resource Planning and the implementation of International Financial Reporting Standards – IFRS changer the boring role of the accountant into a more responsible role towards the business he is involved in. But is the technological and informational development of an enterprise a real premise of a more odelled perception of the accounting profession? The answer is somewhat predictable.

The image of a "plodder" of the accountant does not only exist in Romania, but in most countries. The stereotype exists, this fact being argued in the study made by dimnik and Felton (2006), in which they stated five stereotypes for the professional

accountant: dreamer, employee, eccentric, hero and villain. Even if it was made after an analysis of American cinema, these characteristics cannot be disputed, having been evidenced by other research studies.

Putting together a current body of norms can only be achieved by capitalizing on the energies of organized accountants in order for their voice to be heard by the business environment and the social environment (Bunget (2005)).

On the other hand, one should not neglect the role of the accountant in the "organization of modern enterprises, because they are entrusted for directing and harmonizing the figures related to the movement of the means and resources of an entity, which, ordered by certain categories, according to a well-established scheme, can proved at a certain moment the situation of an entity – no matter how complicated (Toma (1993)).

2. EMPIRIC INVESTIGATION REGARDING THE ROLE OF ACCOUNTING PROFESSIONALS IN THE ACTIVITY OF AN ECONOMIC ENTITY

The manner of perceiving the necessity and usefulness of accounting information for decision-making can be sensed through direct dialogue or by surveying the users' opinion. As we deal with the recording and gathering of opinions and / or approximate data with a relatively high degree of subjectivity, the classical method of the statistical survey can be used as a form of partial observation, with the remark that the total observation is, if not impossible, at least extremely expensive, exceeding both the possibilities and the needs of this research. Unlike the statistical survey - the most rigorous method of statistical observation from the scientific and mathematical point of view - the statistical survey does not assume the representativeness of the sample; moreover, the answers of the interviewed subjects within a statistical survey is voluntary, which is why the data gathered using this method are preliminary and indicative, and can be used to orient the research in one direction or other than to formulate clear and precise conclusions regarding the evolution of economic phenomena and processes or about the results of the studied phenomenon or process.

However, opinion polling is one of the most sensitive and demanding methods of observation because, as there are a number of "methodological breaches" through which subjectivity and errors can creep in, it must be rigorously organized and mastered. An investigation that observes scientific rigors even minimally must take over at least two ideas from the statistical survey method:

a. interviewees should be random;

b. the number of subjects should be large enough to cover the structure and diversity of the general population whose opinion is to be explored.

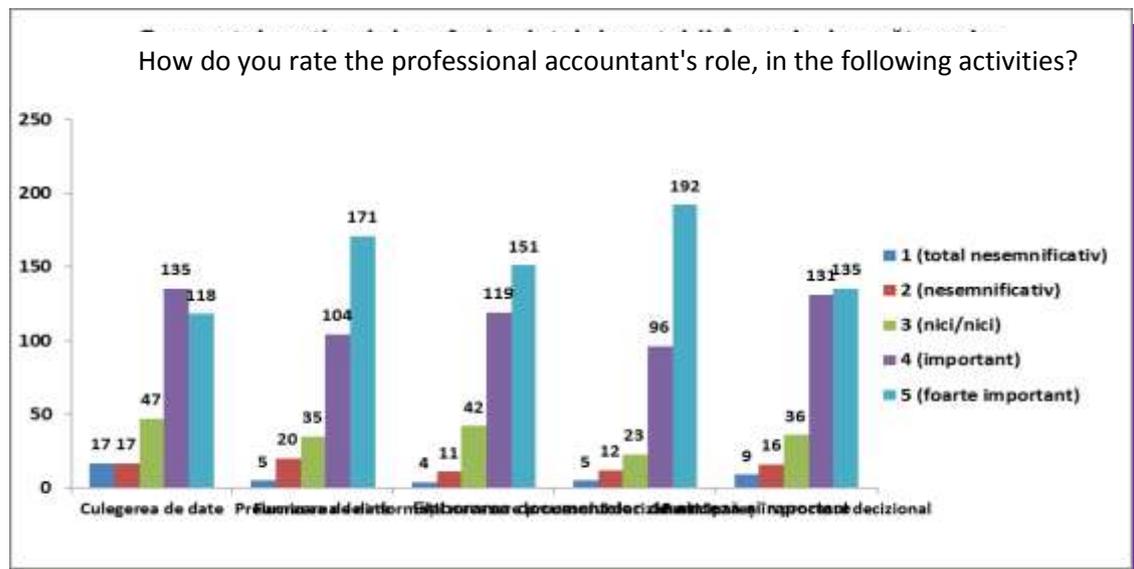
This paper presents the results obtained from the processing of the information included in the research conducted with the help of the questionnaire applied in the West Development Region entitled "New dimensions of the accounting information contained in the annual financial statements of economic entities", grasping aspects related to the role of the accounting professionals in the collection data and processing, the provision of information necessary to the decision-making process, the elaboration of synthesis and reporting documents and the participation in the decision-making process. The questionnaire strictly observed the anonymity of the persons who complete it, avoiding any information related to their identity.

The administration of the questionnaire was conducted in the West Development Region, the questionnaires were sent to the headquarters of economic entities by electronic mail or were handed directly to the respondents, to be returned by them either directly or by correspondence; they were handed to accounting experts who are CECCAR members on their general assemblies, a number of 500 copies being returned and **344 copies** being validated and considered as returning valid answers. They cover, in terms of volume and structure, the information needed for research. The **344 valid answers** were subjected to a process of centralization and processing, including the statistical “components” needed for better visualization and interpretation.

In order to capture the aforementioned aspects, the following questions were addressed:

1. “How do you rate the professional accountant's role, in the following activities?”
2. “Within the entity where you conduct your activity, what categories of staff are involved in the preparation of the annual financial statements?”
3. “Within the entity in which you operate, what categories of staff are involved in developing the documentation underlying the decisions made by the entity's top management?”

The first question is an appreciative - informative one asking: " How do you rate the professional accountant's role, in the following activities?", and the respondents are offered the following variants of answers: data collection, data processing, providing information necessary for decision making, elaborating synthesis and reporting documents and taking part in decision-making.



Legend: 1 totally insignificant; 2 insignificant; 3 none; 4 important; 5 very important
 (Source: elaborated by the author)

Figure 1 – The graphical plotting of the answers to the fifteenth question

The respondents were provided with a 1-to-5 scale, with the following explicit specifications: 1 "totally insignificant", 2 "insignificant", 3 "none", 4 "important" and 5 "very important". The interpretation of the results at this question is facilitated by the fact that the respondents can respond relatively uniformly to all activities, most of them appreciating that the role of professional accountant is important or very important, but a certain differentiation, not very high, has been made, the number of options passing from important to very important along with the transition to

providing information to the decision-making process, i.e. the elaboration of synthesis and reporting documents.

A similar role is also given to the second question: “Within the entity where you conduct your activity, what categories of staff are involved in the preparation of the annual financial statements?” The question is open, the nomination of staff categories was left to the respondent, 290 responses were provided, 150 of them nominated accounting experts and accountants, more than 50 respondents opted for economists and 49 options were for functional nominations such as “administrator”, “manager”, “director” without specifying the professional training of the nominees. From the responses provided to the correspondence between the content and the structure of the documents and the professional training of those who work on them, it results that among the economic entities of the West Region there is a strong concern to cover with qualified staff the organizational structures designed to manipulate the accounting information and to prepare the annual financial statements

The last question addressed, namely “Within the entity in which you operate, what categories of staff are involved in developing the documentation underlying the decisions made by the entity's top management?” expected open answers, leaving the option and possibility of nominating to the respondent, and 321 persons answered. There is a certain degree of repeatability with the previous one and it correlates with the first question in the sense that the majority (over 280) of the respondents declare that in the elaboration of the documents on which the decision-making process is based they employ accountants, expert accountants and economists.

3. CONCLUSIONS

For the introduction, we proceeded to a review of the scientific papers from the literature from the country and from abroad, the main criteria for their choice being the degree to which they responded to the research (they were "appropriate" to the subject) as well as the representativeness (visibility of the authors). However it was not possible to proceed to an exhaustive review, as this should have meant a true monograph of the research, and the application of the two criteria was made, first of all, by accepting a certain degree of subjectivity, which leads to the conclusion of the partial fulfilment of the objective.

The purpose of this paper was to identify the role and importance of accounting professionals in any economic entity. For this purpose, we used the quantitative research method based on the questionnaire. Even if one of the limits of this research is represented by the fact that the answers did not come from all the counties of Romania, I hope that I have managed to render to a great extent the importance of professional accountants in the activity of economic entities because they offer solid evidence regarding the existence and the necessity of the accounting profession in the activity of an economic entity, and the image of this profession in the world is determined by the level of training of the people participating in the studies, to a significant extent, as well as by the training manner of future accounting professional.

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