

ACCOUNTING SERVICES MANAGEMENT

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Abstract

Accounting services are mainly used by small or medium-sized companies that do not have their own accounting departments, records being performed by specialized firms which cater to several customers. The role of accounting is to provide a series of information necessary to back up significant decisions. Thus, the information provided by the accounting service are the basis of the decision making process both inside and outside the company. Accounting has to be understood as an information system that allows producing and disseminating information to support decision making. In order to develop the features of financial and accounting data, it is necessary to identify first their users and the type of information requested by each and every category of beneficiaries.

Keywords: *accounting services, accounting information, information system, users of accounting information*

JEL Classification: M40, M41

Economic agents, regardless of their field of activity, need a series of specialized services which support the managerial system at all the stages involved in the company activity. Here are a few examples of such services: services of accounting tracking and consulting, services of legal counseling, services of management and marketing consulting, information services.

Accounting services are mainly used by small or medium-sized companies that do not have their own accounting departments, records being performed by specialized firms which cater to several customers. A series of consulting services in the financial-accounting field is used even by companies that perform their own accounting records and reporting. Such services are absolutely necessary in the case of companies that organize their accounting activity in compliance with the provisions of the International Accounting Standards (IAS); in such cases, it an audit of the financial-accounting statements performed by external certified auditors is compulsory.

Accounting services mainly address companies and, as such, they have a series of particularities as compared to services meant for the population.

- Accounting services address the organization in its entirety, since all the employees are influenced by them. High quality services can ease their work, while the provider's failure may negatively impact the activity of all workers.

- Considering the complexity of organizational needs, providers have to use a high level of process automatization in order to be able and execute prompt and high quality services.

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- The staff used by providers of accounting services have a high level of qualification, which is absolutely necessary in order to gain the competitive edge. Companies that resort to external services are mainly interested in those skills necessary to satisfy specific needs. Therefore, companies prefer to use service providers, since training internal specialists and building an adequate material basis are more costly than using the services on the market.

- The difficulty of assessing services based on tangible features increases in the case of services that cater to companies, due to their complexity and the need to optimize costs with service usefulness. Service assessment usually relies on certifications of the quality management system and on the evaluation of previous performance (the system of customer recommendations). This burdens the decision making process, since it is necessary to establish clear criteria for the selection of bids. Generally, criteria consider quality, in the absence of any quantity attributes whose performance could be easily quantified.

- In the case of accounting services, relationship management is highly important, the buyer often participating in designing and executing the service. Establishing relations of mutual trust from the very first stages of the collaboration contributes to the success of the transaction and to the creation of a long-term cooperation framework.

- The top management takes part in the decision to buy services based on specific analysis and approval procedures. But the management has to understand the importance of services for the business success and get fully involved in supporting the process of provision of the said services.

- Accounting services have a dominant applicative-functional nature, their design and development being related to company activity and, generally, companies that administer patrimonially automatized economic assets.

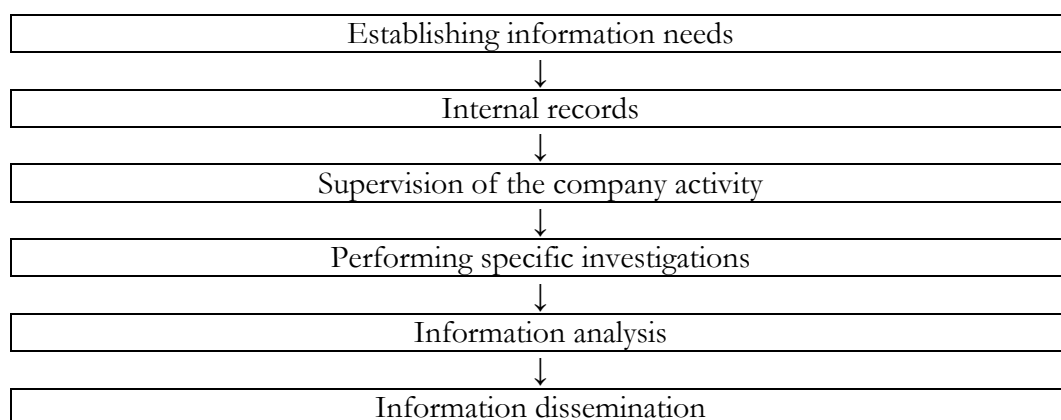
- Accounting services have a significant informational component, since they study the effects of economic transactions and other events on the economic-financial situation, as well as on the performance of a company, in order to inform internal and external users. Through its language, through its own system of concepts and procedures, accounting is the only discipline that can provide financial information on a given organization. Such information is the basis for the assessment of the company by a set of users within and outside the company.

The role of accounting is to provide a series of information necessary to back up important decisions. Thus, the information provided by accounting supports the decision making process both inside and outside the company. Practically, accounting has to provide information that could be used by all those who wish to employ it accurately, whether they are professionals or not. In a highly competitive economy, decision makers' role is all the more difficult, since the correlation between product – market – competition is increasingly complex. Under the circumstances, high quality information obtained at the right moment is a resource for the company, provided it is adequately integrated in the decision making process.

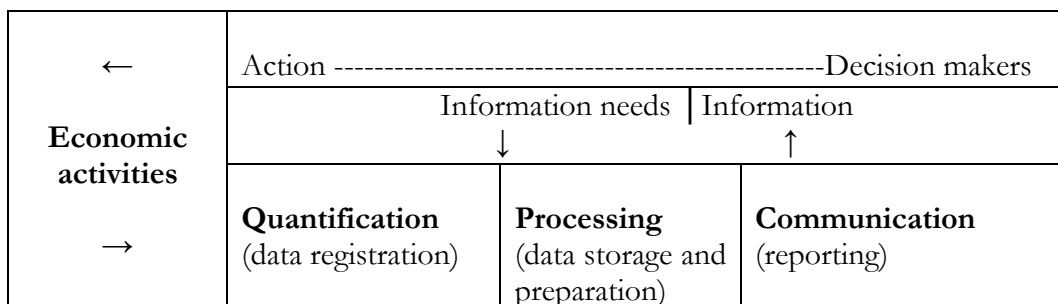
Accounting has to be understood as an information system which allows producing and disseminating information for the decision making process. An information system can be deemed as a whole made of persons, equipment and procedures of timely gathering, selection, analysis, assessment and distribution of accurate information, necessary for the decision makers of a given organization. Thus, accounting can be considered the most important component of the information system of a company since: most decisions at entity level are provided by accounting; it allows managers, based on the information received, to have a general picture of the entire entity; it makes the connection with the other components of the company information system (marketing, production, staff etc.).

In order to provide a clearer image of the information system, in the figure below we present the stages of obtaining the necessary information.

Fig. no. 1:
Stages of obtaining information



Accounting connects economic activities and decision makers. Firstly, it quantifies economic activities, registering data referring thereto for future use. Secondly, data are stored for as long as necessary, and then they are processed so as to become useful information. Thirdly, information is transmitted to decision makers through reports. We may say that gross data referring to economic activities are an input in the accounting system, and the processed information, useful to decision makers, is the output. To this end, in the figure below we prove that accounting is considered an information system for economic decisions.

Fig. no. 2**Accounting considered as an information system for economic decisions**

The role of accounting within the company management system is characterized by the following features: the system of accounting-financial information is the interface between the operational system from which it receives the processing data and the decision making level as receiver of information; the sources of information are the financial statements for accounting information and the reports of economic-financial analysis for financial information; the information beneficiaries are the managers who are responsible with obtaining the physical and financial resources in the company environment and with using them in order to create value for investors.

Accounting registers, classifies and regroups information referring to movements of assets that rely on the company activities, and, based on the information provided by the accounting department, it is easier to grasp the company situation and its outcomes.

The increasing social role of accounting determined certain authors to assess it as a social game, with its actors and directors, instances of regularization etc. To this end, the actors can be grouped in three categories:

- companies (managers and accountants) that create the supply of accounting information;
- financial auditors, who check and certify the financial statements and how they are integrated in the supply of accounting information;
- users who create the demand for accounting information.

In order to be able and develop the features of financial-accounting information, it is necessary to identify first its users and the type of information requested by each and every category of beneficiaries. For instance, for the manager of a company, one of the decisions that could be made based on such information is determining the level from or at which operations can be executed; for customers, one of the decisions most frequently made based on such information is buying the products of a company. The figure below presents the typology of users of accounting information.

Fig. no. 3**Typology of users of accounting information**

<i>Typology of users of accounting information</i>	● Current and potential investors
	● Employees and collaborators
	● Creditors
	● Suppliers
	● Customers
	● State institutions
	● The public

Information represents data that were processed in a certain manner and that are presented in a specific way. There are certain dimensions which provide information with enhanced value: the “when” time dimension: updating and availability (receiving the information when we need it); the “what” content dimension: accuracy, relevance, completeness; the “how” form dimension: details, presentation. The importance that information receives depends on a series of factors, from among which the most important are: the nature of the decision to make; the decision maker’s competence and skills; the decision making models used; the importance of committed values; the time the economic agent has at his disposal prior to making the decision; the geographic context of the decision; the degree of uncertainty and risk attached to the decision; the extent to which the decision maker has access to other information as well besides the information contained in the synthesis documents; the nature and size of the company under study. In other words, “*accounting information is identified with the financial-accounting data on the condition and movement of patrimonial items, as well as the economic-financial indicators referring to resources and obtained results*”.

To conclude, accounting can be considered from a triple perspective:

- service provision, whereby it provides interested persons with financial information of the numeric type which helps them make decisions on investments and the distribution of resources within the company;
- an analytic-descriptive science, which, through procedures of measurement, classification and synthesis transforms the gross details which characterize the economic activity into significant information that describes the financial position and performance of the company;
- an information system which synthesizes and structures the economic information referring to companies and which is made available to a wide range of users.

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