

CONSIDERATIONS REGARDING THE ASSURANCE AND GUARANTEE OF THE QUALITY OF THE ACCOUNTING INFORMATION

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Abstract

Accounting is a practical activity carried out by professionals, whose role is to provide useful information for decision making at the level of economic entities. The processing of data in order to obtain information is done by operating with the language and means specific to the accounting system, so that they meet the needs of users. As a formalized language of business, the company's accounting provides internal and external representation of the organization. The production and communication of accounting information can be understood as a service. Any service, in order to be considered quality, must be characterized by objective and quantifiable parameters. Every user of accounting information wants to have information that reflects reality, that is, true information. In order for the user to be able to trust the accounting, the accounting information must be credible, it is necessary to control the quality of the accounting information, which become guarantees of the application and observance of the accounting principles, these are the auditors and censors.

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Introduction

The information activities specific to the accounting field are those related to the production and use of accounting information. These consist of actions aimed at creating, collecting, storing, processing data and transmitting information. They involve recording and computing operations, as well as the analysis, interpretation, grouping and use of information in decision making.

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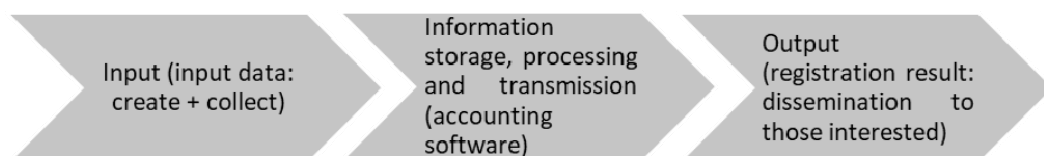


Fig. no.1: The process of the accounting services

As a formalized language of business, the company's accounting provides internal and external representation of the organization. Although it is not the only source of information, accounting is the most appropriate information system for the needs of organizations. The importance and role of accounting in the information system for decision making is overwhelming because it makes the connection between economic activity and decision makers. In order to make a correct and efficient decision, the manager must establish the goal pursued, identify the means and options for achieving it, choose the option considered optimal, put into practice and monitor its application, analyze the results.

The conceptual framework

Accounting information is of particular importance, being used by a multitude of users: from small and medium-sized enterprises to large listed companies, from the tax administration to the large mass of citizens, as small economists and investors.

Measuring the quality of accounting information starts from the premise that accounting information tends to lose its absolute character, becoming a commodity that can be traded. This is because at present, according to the new regulations, professional reasoning has a special role in the production and communication of accounting information. However, regardless of the purpose and mode of communication, the satisfaction of users' needs must be measured and ensured on an ongoing basis. Thus arises the need to ensure the quality of accounting information to satisfy its "consumers", the beneficiaries, more precisely. The satisfaction of the beneficiaries is guaranteed by the quality control system.

The accounting information does not escape the interconnection movement between the issuers and its users. Thus, there is the issue of guaranteeing the quality of services in this field. Organizations redefine the relationship between the accounting department and other internal actors involved in management. In this case, we can talk about structuring a management information system in each economic entity. The increase of computerized data exchanges, the development of management facilities, the digitization, the data protection are elements that lead to the need to ensure the trust of the information beneficiaries, as well as to the performance of systematic verifications on the reality of the acquired information.

The production and communication of accounting information can be understood as a service. Any service, in order to be considered quality, must be characterized by objective and quantifiable parameters. These parameters are considered quality criteria.

Elements that differentiate the quality of accounting services:	The criteria for assessing the quality of accounting services cannot be fully known and understood by all beneficiaries
	Quality = Result + Process
	The quality of the accounting services must be based on: ✚ the supporting documents, ✚ the normative acts in force, ✚ the professionalism of the provider, ✚ the expectations of the beneficiary.

Fig. nr. 2: Elements that differentiate the quality of accounting services

Thus, we can highlight a series of elements that differentiate the quality of accounting services:

- the criteria for assessing the quality of accounting services cannot be fully known and understood by all beneficiaries (for example if we refer to an entrepreneur or administrator);
- the evaluation of the quality presupposes, in the case of the accounting services, both the appreciation of the final result and of the actual process of providing the service (practically, the quality of the service cannot be separated from the activity of provision), but especially of the completion within the legal term, agreed upon.
- the quality of services in general is also determined by the result of comparing the customer's expectations with the experience he has during the service. Quality is therefore defined by customers or beneficiaries, they are the ones who ultimately appreciate the good, mediocre or poor quality of the service. The starting point in perceiving the quality of the accounting service is given by the extent to which the provider fulfills its obligations in relation to what the beneficiary expects. The quality of the accounting services must be based on the supporting documents, the normative acts in force, the professionalism of the provider, the expectations of the beneficiary.

The criteria for measuring quality in accounting are: accurate image and accurate presentation. The financial statements must present a true and fair view of the financial position, performance and change in the financial position of an enterprise. Although this “general framework” does not directly address such concepts, the application of key qualitative characteristics and appropriate accounting standards results in the preparation of financial statements that generally reflect a true and fair view of the state of the enterprise.

The accounting quality measurement system must allow:	♦ ascertaining the degree of satisfaction of the users' requirements in the services made available to them;
	♦ discovering and recording non-conformities and malfunctions in processes;
	♦ quantifying the effect of corrective actions after analyzing these deviations;
	♦ following the improvement of the results and the efficiency of the processes.

Fig. nr. 3: The accounting quality measurement system

The main tool of quality management is its normalization. The approach of the enterprises for the development of the users' trust in the product or service offered, in this case the accounting information, is expressed by the definition of norms. The main objective of standardization is, in essence, to improve the interpretation of financial statements by external users.

The scope of an accounting quality approach is part of a larger dimension, which is currently not fully covered by standardization. Accounting quality measures the ability of an entity to provide its customers with continuous quality services, to provide the necessary service, but also to specify which accounting element the measure applies to. The attestation of the quality of the accounting information can be done through self-control mechanisms, oriented towards the permanent search of the progress and the improvement of the performances, but also through a report made by a legally authorized person named auditor.

The traceability of accounting information

In order to provide qualitative information to underpin the decision-making process, accounting, in turn, needs to process quality information. Thus, the organizations record the economic and financial operations, at the time of their performance in supporting documents.¹

The primary documents or supporting documents, as written evidence of economic and financial facts, are elements of input of economic and financial information in the

¹ Mircea Boulescu – „Management financiar-contabil”, Editura Fundației România de Măine, București, 2002, p. 17

accounting field to be transformed into accounting information provided by the financial statements. Once the supporting documents have been completed, they must be processed and recorded in the accounts. In addition to accounting records, economic agents are obliged to prepare and submit statements with the help of which they report to the Ministry of Public Finance or other public entities the debt situation. The summary of the accounting documents is as follows:

OPERATIONS (documente justificative)	JOURNALS	RECORDS
Sale	Sales Journal	Big Book ↓ Trial Balance ↓ Financial Statements
Collections	Collections Journal	
Acquisitions	Acquisitions Journal	
Payment	Payments Journal	
Wages	Wages Journal	
Breakdowns, regularizations, rectifications	General Journal	

Fig. Nr. 4 The summary of the accounting documents

Thus, accounting is the logical process by which all economic activities in an organization are recorded, clarified and transformed into monetary units.

Guarantees of the quality of the accounting information

Every user of the accounting information wants to have information that reflects reality, that is, true information. In order for the user to be able to trust the accounting, ie the accounting information to be credible, it is necessary to control the quality of the accounting information, which become guarantees of the application and observance of the accounting principles.²

In our country, two professional categories have a specific control role in this field: censors and auditors.

² N. Feleagă și I. Ionașcu – „Tratat de Contabilitate financiară”, Editura Economică, București, 2001, p. 241

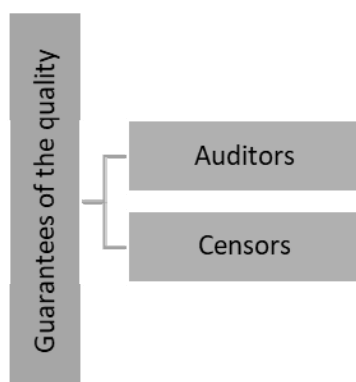


Fig. Nr. 5 Guarantees of the quality

■ An audit is a "critical examination of a company's operations based on rules and techniques established and recommended by a professional body." The form of audit that is directly related to accounting is the financial audit, which means "the examination performed by a competent and independent professional in order to express a reasoned opinion on:

- the validity and correct application of the internal procedures established by the management of the enterprise (internal audit);
- accurate, clear and complete image of the patrimony, of the financial situation and of the results obtained by the enterprise (legal audit required by law and exercised by auditors or contractual audit performed at the request of the enterprise, by accounting experts, certified accountants with higher education or companies accounting expertise)".³

■ According to company law, companies (joint stock companies and limited liability companies), which have more than 15 associates, are required to have auditors. They must be three in number and as many substitutes, if the articles of association do not provide for a larger number. In all cases, the number of censors must be odd. It should also be noted that at least one of them must be a certified legal accountant or chartered accountant.

In addition to the legal audit exercised by the auditors and expressly required by the legal provisions, companies and autonomous utilities, which are not subject to legal audit, may conclude contracts for verification and certification of balance sheets with accounting experts, accounting firms, independent auditors, companies or audit firms.

They perform the contractual audit, being able to verify the financial statements of the patrimonial entity. The financial audit is considered to be:

³ N. Feleagă și I. Ionașcu – „Tratat de Contabilitate financiară”, Editura Economică, București, 2001, p. 242

► professional analysis of economic, financial, accounting and fiscal information, in order to express a responsible and independent opinion, by reporting to a criterion or quality standard;

► research, in order to produce a motivated and independent judgment, with reference to the evaluation norms, in order to assess the reliability or effectiveness of the systems and procedures of an economic agent;

► an objective examination of an item, with a view to issuing an opinion or reaching a conclusion on the subject matter of the audit;

► a contribution of credibility on the economic information published by the patrimonial unit, regarding the financial-accounting statements. For persons outside the economic operator, the opinion or opinion of an independent professional accountant on the financial and accounting documents of the economic agent is the best indication of the degree of confidence he can place in these documents. Without this attestation of an independent auditor, the financial-accounting documents can be questioned from a real and legal point of view;

► critical review for the evaluation of certain determined financial, accounting and fiscal statements;

► evaluation performed by a competent and independent professional, in order to express a reasoned opinion on the validity and correct application of the internal procedures established by the management of the patrimonial unit, as well as on the faithful, clear and complete image of the patrimony, financial situation and results obtained by unit;

► attestation or certification of documents and records, of the accounting system as a whole. For auditors, the continuous improvement of the internal control system helps their clients and reduces their audit work, as it has the effect of increasing the quality of documents and accounting records. From the audit point of view, the internal control system reduces routine work, mechanical checks on the accuracy of accounting totals and involves reasoning and judgment, emphasis on the overall examination, analysis, evaluation and statistical survey.

Conclusions

Accounting is a practical activity carried out by professionals, which has the role of providing useful information for decision making at the level of economic entities, but also of representing correctly and faithfully the reality of an organization from an economic point of view - financial.

Therefore, for the accounting information to be useful, it must be of good quality, ie it must present a true and fair view of the entity's business. The main tool of quality management is its normalization. The approach of the enterprises for the development of the users' trust in the product or service offered, in this case the accounting information, is expressed by the definition of norms. The main objective of standardization is, in essence,

to improve the interpretation of financial statements by external users. Certification of the quality of accounting information can be done through self-monitoring mechanisms, aimed at the constant search for progress and performance improvement, but also through a report made by a legally qualified person named auditor. In conclusion we can say that offered by auditors, in the case of companies with more than 15 associates, which perform a legal audit or by auditors, on the basis of a contract, which perform a contractual or financial audit.

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