

SOLVING ECONOMIC-FINANCIAL DISPUTES BY ACCOUNTING EXPERTISE

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Abstract: *The paper deals with the theoretical, judicial, and accounting aspects regarding the issue of the accounting expertise evidence in the civil process. The settlement of the findings of the minutes drawn up after the thematic inspections carried out by the tax inspection teams represents a complex of facts and circumstances that provide the coordinates of a wide area of interpretation and debate. The research method is the case study, document analysis and observation in order to explain the complex causal links which interfere in the preparation of the accounting expertise. The purpose of the research is to reflect the contribution of this evidence in settling economic-financial disputes in the real life of an entity.*

Keywords: *accounting expertise, stock accounting, global value method, retail business activity, wholesale activity.*

1. Introduction

The economic activity of companies represents sometimes a sinuous trajectory, with multiple situations stemming from commercial and fiscal relations. The relationship entity - external environment must take into account a multitude of factors to harmonize in order to meet the objectives pursued by the development policy (Baba, 2009). But, in a market economy, with fierce competition, there may be disputes whose amicable settlement is more difficult to achieve. These dimensions of economic life are left to the courts which, in order to solve economic or fiscal problems, have recourse to accounting expertise. Thus, accounting expertise becomes more than a tool for disseminating information; it contributes to the adoption of a solution for the case. Depending on the destination, we have the judicial and extrajudicial accounting expertise - an activity outlined in a professional career report (Drumea, 2008). The concept of accounting expertise refers to the research document of the documented material carried out by the professional accountant, the critical analysis and the synthesis of the opinions outlined according to professional reasoning (Anton, 2016). The exposition uses a simple language with notions of inspection and observation

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comprising information useful to draw affirmative or negative conclusions. They are corroborated with other means of proof in order to adopt a solution. The accuracy of the study is based on the specialist knowledge of the accountant professional that is used by the magistrate to adopt a sound and legal solution (Florea, 2008). Between the latter and the expert there is a relationship of trust and respect that will lead to the achievement of the pursued approach.

The accounting expertise is an investigative process with an area of investigation in all the areas of economy (Andone, Georgescu, Toma, 2011), and as regards the bookkeeping of entities, it investigates the manner in which certain economic and financial operations are reflected in the primary documents, in registers and in financial statements (Busuioceanu and Anton, 2018). Similarly, the accounting expertise investigates the way in which deviations from the economic and fiscal norms have taken place, making up, by establishing the causal links, a characterization of the factual situation in relation to the investigated legal framework.

2. Research Methodology

The study reveals a practical situation settled by the court where the professional accountant's contribution is effectively reflected in the settlement of the dispute arising from the conduct of a tax audit on the aspects of the commercial activity carried out by an entity. The research highlights the steps the professional accountant goes through to prepare the expertise, outlined in the following working methodology:

- *studying the methods of conducting the analytical and synthetic accounting of the goods, according to the regulations in force;*
- *analysis of accounting documents in terms of substance, but also of form or content;*
- *chronological verification of documents recorded in the entity's accounting records;*
- *systematic or problem-based verification of documents, such as: control of inputs in financial management, control of exit documents from financial management;*
- *verification of the organization of the accounting on management units of inputs and outputs of goods, for the period 19.xx.201N-04.xx.201N+1.*
- *centralized presentation of the results obtained, for the same period.*

The main objective that is pursued (also approved of by the court) is:

- to establish the amounts of money acquired by the entity by committing the offense committed in accordance with the minutes of the tax inspection, for the period 19.xx.201N-04.xx.201N + 2, by consulting the accounting records.

The research method includes the study of the specialized literature, the observation and inspection of the documentary material in the structure below:

- the minutes, concluded by the tax inspection team;
- the management reports corresponding to the period 19.xx.201N-04.xx.201N + 1, for the retail management and wholesale management;
- the sales situation corresponding to the period 19.xx.201N-04.xx.201N + 1, for the retail management and wholesale management;
- the analytical verification balances corresponding to the period 19.xx.201N-04.xx.201N + 1;

- the analytical situation of revenue and expenditure for the period 19.xx.201N-04.xx.201N+1.

The analysis of the material made available to the expert by the concerned entity reveals the aspects summarized and presented accurately below.

3. Research Results

The object of the file in court is the action regarding '*the cancellation of the contravention minutes*' formulated by the entity **ADAVIS SRL**, legally represented by the administrator, *in contradiction* with the **NATIONAL AGENCY OF FISCAL ADMINISTRATION** - by which the sanction of the fine of 20,000 lei was given to the company and the decision to confiscate the amount of 200,000 lei, according to art. 2 paragraph (1) of the Law no. 12/1990 and Art. 3 of the same normative act, respectively.

The dispute arises as a result of the thematic control, carried out on 15.12.201N, by the team of inspectors at the subsidiary of the abovementioned entity where it was discovered that *wholesale and retail activities were carried out in the same sales structure*. The company was sanctioned in contravention by **the Minutes no. x52 / 25.xx.201N** and measures were taken to regulate the conduct of the business. The control team notices the non-compliance with the provisions of art. 73, paragraph 22 of *G.O. no. 99/2000 on the commercialization of goods and services on the market*, as subsequently amended, and, also, the violation of the provisions of art. 1 (a) of Law 12/1990 *on the protection of the population against illicit commercial activities*, republished, with subsequent amendments and completions. In this respect, we mention that '*consumer protection represents a set of provisions for public or private initiatives aimed at securing and continuously improving consumer interests*' (Neacșu, 2018).

The control act sanctions the company **ADAVIS SRL** with a fine and the confiscation of **the amount of 200,000 lei** representing '*the sums of money acquired from the sale of the wholesale goods in the period under control*'. In order to solve the dispute, the entity addressed the court that had disposed the accounting expertise probation.

The specialty literature (Matiș, Pop, 2010) mentions that the bookkeeping of the goods for **the wholesale activity** is done at the acquisition cost, and '*the analytical accounting* is based on goods assortments, using, *as a rule*, the quantitative-value method'.

For **the retail activity**, the bookkeeping of goods is done at the retail price, and the analytical inventory of the goods is kept at subsidiaries and inside them, on management units, using, *as a rule*, *the global-value method*.

The global value method is *mainly* used in retail establishments '*and it can be used when there is no legal obligation, and the managers do not impose a quantitative-value record for the stocks under a management unit*' (Matiș, Pop, 2010) and the form used at the place of storage is **the management report**. This method has numerous advantages, especially, to reduce the workload.

As for the **synthetic stock accounting**, it is organized in terms of quantity and value **or only value** by using *the permanent inventory or the intermittent inventory* (OMFP 2634, 2015).

Ab initio, we have to mention that the accounting form in SC ADAVIS SRL uses the system of registers, forms and accounting documents correlated with each other in order to reflect chronologically and systematically the economic and financial operations performed during the management period (OMFP 2634, 2015). The method of organizing the analytical accounting of goods (merchandise) implemented by the said entity is **the global-value method**. According to the provisions, this requires the bookkeeping of the global value goods in both management and accounting, and the checking of the correspondence of the records in the management and accounting records is done **only by value** for certain periods. Correctly, the entity has organized accounting using the global value method in both the retail and the wholesale management.

Taking into consideration the above elements, the analysis allows the formulation of the idea that the method of organizing the accounting at SC ADAVIS SRL, according to the *global-value method for both management units*, namely: for the wholesale management of DEPOZIT and, respectively, the retail management - the store *observes the rigors of organizing the analytical accounting of stocks*.

By establishing, in this way, the organization framework of accounting at SC ADAVIS SRL, the subject matter of the study was represented by the way of organizing the deliveries of goods by means of the two sale points, namely: the wholesale activity by the management of DEPOZIT and the retail activity by the **store** management. Thus, the accounting records of the entity for each management unit were analysed separately, and the check made on the basis of the records '**The situation of sales in the warehouse**' led to the centralized presentation in the following table.

Table 1

*The centralized situation of the wholesale sales,
in the period 19.12.201N-04.xx.201N+1*

Table position	Period	Sales value without VAT (lei)	Collected VAT (lei)	Overall sales (lei)
1	19.12-31.xx.201N	15.235	2.894,65	18.129,65
2	01.01-31.1.201N+1	80.150	15.228,5	95.378,5
3	01.02-28.2.201N+1	50.500	9.595	60.095
4	01.03-31.3.201N+1	25.750	4.892,5	30.642,5
5	01.04-04.4.201N+1	38.365	7.289,35	45.654,35
	TOTAL	210.000	39.900	249.900

Consequently, the study revealed that **the wholesale warehouse** sold goods whose value **without VAT** is of **210,000 lei**, and the afferent VAT was **39,900 lei**. **According to the accounting records, the amount of 202344,8 lei was collected from the total receivables resulting from the delivery of the goods in the period 19.12.201N-04.xx.201N + 1**. By summarizing the information taken by the expert from the

warehouse sales status, in the period 19.12.201N-04.xx.201N + 1, the amounts and their level contained in the report concluded by the control team are presented, as tables.

Table 2

The comparative situation of the amounts determined by the expert with the ones recorded in the Minutes issued by the control team

<i>Table position</i>	<i>Period</i>	<i>Expert Evaluation</i>	<i>Minutes</i>	<i>Differences</i>
1	Sales value without VAT (lei)	210.000	200.000	10.000
2	Afferent VAT (lei)	39.900	38.000	1.900
3	TOTAL (lei)	249.900	238.000	11.900

The differences that resulted from the comparison of the values identified in the two situations can be explained by the identification in accounting of some transactions in the period 01.04.-04.04.201N + 1 for which the justificatory documents had not been received by the accounting department at the moment of control.

Thus, in the minutes concluded by the control team, the amount of 200.000 lei represents **the value of sales without VAT** by the wholesale structure in the period 19.12.2013-04.xx.201N + 1, and the value of 38,000 lei is the afferent VAT.

4. Conclusions

The application of the accounting regulations requires economic entities to develop **their own accounting policies** that are approved by administrators, according to the law (OMFP 1802/2014). According to OMFP no. 1802/2014, point 60 (1), **accounting policies** represent **'the principles, bases, conventions, rules and specific practices applied by an entity in the preparation and presentation of financial situations.'**

Their mandatory nature is established by law (Petre, 2011), but their necessity is *imposed by the practice of economic operations* in the market economy, which have an impact on accounting and, finally, on the accounting information - support of the economic decisions adopted by the shareholders and managers. The establishment and implementation of accounting policies is the result of an analysis of the impact that they have on the profit and loss account and on the total of assets highlighted in the balance sheet.

The analysis carried out was aimed at verifying the conformity of **the current assets** valuation and **their accounting treatment with the accounting policies** of the entity ADAVIS SRL. They **stipulate the use of the permanent inventory** for the organization of synthetic stock accounting and **the global-value method** for the organization of analytical asset accounting **for both management units**, namely: **DEPOZIT** management - wholesale activity and store management – **retail activity**.

Thus, according to the study conducted for the elaboration of the expertise, *the conformity of the methods and accounting treatment applied to the stocks for the two management units with the accounting policies of the entity* is established. Under these

circumstances, the strict observance of the accounting policy manual is illustrated, and the minutes of the control team's record on the non-observance of the provisions referring to *the marketing of products and services* represent the prerequisite for a court action to solve the dispute. By using the proof of accounting expertise, the court establishes in favour of the entity, by final decision, its exemption from the payment of the fine and the removal of the complementary sanction for the seizure of the amount of 200,000 lei.

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