

TYPES OF SERVICES IN THE ACCOUNTING COMPANIES OF BRAŞOV COUNTY

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Abstract: *The strategies of accounting companies are a mix between the demand of the beneficiaries and the offer of services. In order to be competitive on the market, the accounting companies develop strategies to help them strengthen their relationship with the existing clients and attract new ones. This article analyses the offer of financial-accounting services of 20 accounting companies of Braşov county, using the method of qualitative research - direct observation. The presentation websites of the companies were analysed in order to identify the types of services provided. The companies included in the study were selected based on the size of their turnover.*

Key words: *accounting companies, strategies, financial – accounting services*

1. Introduction

The strategies applied by accounting companies can be considered from a double perspective: the perspective of adapting to the internal and external factors with an impact on their business and the perspective of meeting customer needs. Accounting companies must adapt to the economic, cultural, social, political and technological factors, turn challenges into opportunities and thus become agents of change (ACCA, 2016).

The Edinburgh Group 2019 study discusses concepts such as innovation, digitization, diversification and internationalization. Individual practitioners or small accounting companies, with limited resources, must also focus on modern technologies for communicating and disseminating information, leading to improved efficiency and productivity (IFAC, 2018).

Diversifying the services provided by accounting companies may be a strategy in itself. In the IFAC report, 2018, we find a reference to Romanian accounting companies that highlights a challenge that they face: the demand for consulting services is requested by multinational companies, and as the resources of accounting companies are limited, the challenge of allotting the limited resources to an uncertain type of service is taken into consideration.

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The diversification of the provided services - approached as a strategy within the accounting companies, is a combination of the entrepreneur's desire for diversification and the feasibility of diversification (Massaro et al., 2013). Moreover, the idea that the diversification of the provided services is determined by factors such as: desire, age, education and experience of diversification of company owners / managers is discussed.

As far as the competition between accounting companies is concerned, multinational companies often cause competitors to lower fees (Baghi-Sen and Kuechler, 2010). Moreover, the competitive advantage based on fees is only a short-term one. Instead, a pricing strategy corroborated with non-monetary factors such as specialization, adaptation to the customer needs, speed of delivery and customization of services, plus a marketing strategy, and human resources, ultimately lead to an improvement in the performance of the accounting companies.

Accounting companies operate in a framework with commercial and professional values (Lander et al., 2013). Considering the accounting companies from an entrepreneurial and professional point of view, they put into practice competitive strategies through which they try to achieve their objectives, while having the profession-specific regulations as guidelines. Thus accounting companies operate between the commercial (entrepreneurial) and the professional logics, an aspect through which the competitiveness of the entity and the quality of the services provided are simultaneously aimed at.

The strategies of the accounting companies must be adapted to the needs of service beneficiaries. Accordingly, the complexity of commercial transactions determines accounting companies to implement processes through which the result of their business is not limited to document accounting, but also considers the sustainable development of the clients (ACCA, 2016).

The relationship between the accounting companies and their clients is a complex one, based on communication, closeness and trust (IFAC, 2016). It must be constantly improved and adapted to the current needs of customers in terms of accounting information, presentation form and interpretation. The needs of the accounting information users are different, and their reporting on the information provided in accounting can sometimes be contradictory (Albu et al., 2014).

The key element of the relationship of the supplier-beneficiary of accounting services is trust (Anton, 2011). An important role of the accounting professional is to make sure that the business of his/her clients is carried out in compliance with the applicable legal regulations. Therefore, the role of the accountant is in a process of transformation, becoming rather a consultant and business analyst, his profile and skills being directly influenced by the organizational context of the business (Albu et al., 2011). This relationship featured by honesty is what substantiates the relationship supplier-beneficiary of accounting services (Blackburn et al., 2018).

Consequently, based on trust, built over time, clients can request other types of services from the accounting companies, such as: financial and tax consulting, economic and financial analysis and evaluation, budgeting and planning, acquisitions and mergers, asset appraisals, legal advice, human resources services, IT services.

2. Research Methodology

In order to determine the types of services offered by the accounting companies of Braşov County, we have selected 20 companies whose main business field is the accounting and financial audit services, tax consulting.

The selection of the 20 accounting companies was made using the criterion of turnover size, net profit and number of employees. Consequently, using the data published on the website of the Ministry of Finance, available for 2018, we proceeded to the selection of the 20 accounting companies of Braşov County and we centralized the results in Table 1. For 2019, only 4 of the 20 companies have published the annual financial statements.

Using the direct observation as a method of qualitative research, we accessed the websites of the selected accounting companies in order to determine the types of services provided.

We would like to clarify that we decided not to disclose the names of the companies included in this study, for reasons related to the competition between them. Therefore, each company received the serial number corresponding to the position in the table. Another reason why we did not disclose the names of the companies is that we want the analysis undertaken to be objective.

We mention that, according to law no. 162/2017 on the statutory audit of annual financial statements and consolidated annual financial statements and amending certain regulations, the chartered accountant may perform the following services, as an individual professional or as a company, for individuals and legal entities:

- ✓ organization, management, keeping, verifying and supervising the accounting,
- ✓ preparing and signing the financial statements and executing tax works, respectively calculation of taxes, fees and contributions, preparing and submitting tax returns and ensuring customer representation before the tax authorities, as part of an accounting services agreement;
- ✓ providing specialized assistance on the organization and keeping of the accounting;
- ✓ performing economic-financial analyses and evaluations for financial-accounting purposes, and that do not materialize in an appraisal report prepared according to the evaluation standards adopted by the National Association of Authorized Appraisers in Romania. Such appraisals and evaluations may relate to estimates of the entity's cash flows and financial condition, the evaluation of income and expenses;
- ✓ preparing financial-accounting expert's opinions, including financial-accounting expert's opinions with fiscal component, ordered by the judicial bodies or requested by natural or legal persons according to the legal conditions and CECCAR regulations;
- ✓ execution of other financial-accounting works, including activities of electronic personnel records, payroll, administrative and IT organization, certification of information, data and documents;
- ✓ activities as auditors and financial representatives;

- ✓ providing specialized assistance necessary for the incorporation and reorganization of companies;
- ✓ ensuring the financial-accounting management and the economic performance;
- ✓ ensuring the internal management control and risk management of legal entities;
- ✓ providing consultancy in financial management and accounting, providing services specific to managerial accounting and integrated reporting.

Moreover, natural persons and legal entities having the quality of chartered accountant may perform other activities than those specified above, which are specific to the activities of financial audit, tax advice and evaluation, only after acquiring, according to the law, the quality of financial auditor, tax consultant or authorized appraiser, and, as applicable, registering as members of the organizations coordinating such freelance professions (Law No. 162).

Accounting companies of Brasov county

Table 1

Name of the company	Location	Turnover	Net profit	No. of employees
Company 1	Braşov	2,428,923	603,620	16
Company 2	Zărneşti	1,551,734	487,255	26
Company 3	Braşov	1,275,792	207,222	8
Company 4	Braşov	1,143,294	109,884	18
Company 5	Braşov	1,118,526	712,005	4
Company 6	Braşov	989,300	462,276	5
Company 7	Braşov	889,632	307,258	7
Company 8	Săcele	866,108	-21,746	9
Company 9	Braşov	780,696	473,293	5
Company 10	Braşov	723,567	164,184	3
Company 11	Braşov	697,330	61,637	5
Company 12	Braşov	670,356	231,470	6
Company 13	Braşov	584,955	207,095	4
Company 14	Braşov	574,320	383,116	3
Company 15	Braşov	506,691	91,592	5
Company 16	Braşov	491,418	199,423	2
Company 17	Braşov	465,311	261,687	4
Company 18	Braşov	447,307	18,936	4
Company 19	Braşov	446,628	52,470	2
Company 20	Braşov	423,936	289,564	0

3. Research Results

Analysing the websites of the 20 accounting companies, we noticed that **five of them do not have websites**: Company 7, Company 9, Company 10, Company 13 and Company 14. Although these 5 companies do not have a site for the presentation of the services they provide, their turnover and net profit registered at the end of 2018 should not be neglected, as outlined in Table 1.

All 15 accounting companies that have a presentation website provide financial analysis services, personnel-payroll services, assistance and representation before the tax authorities, in addition to the classic services of accounting organization and management. Besides these services, two of the companies included in the study provide legal assistance and representation services.

Consulting the Public Register of Auditors, organized by the Authority for Public Supervision of the Statutory Audit Activity, **seven of the 20 selected companies are licensed to execute out statutory audit activities**, according to law no. 162/2017. Of the 20 analysed companies, **three of them are licensed by the Romanian Chamber of Tax Consultants to carry out tax consulting activities**. We specify that these companies are licensed to perform activities specific to the statutory audit.

Consulting the Table of the National Association of Appraisers in Romania - Corporate Members, **none of the analysed companies is listed as licensed to carry out activities specific** to the appraisal of movable assets, real estates, financial assets or companies.

4. Discussions and Conclusions

In developing strategies, accounting companies should take into consideration elements such as: diversification, internationalization, digitalization and innovation. The combination of these elements, adapted to the needs of the clients, leads accounting companies towards an improvement of the performances.

Our study brings into discussion the concept of **diversification of services** provided by 20 of the accounting companies of Brasov county, which had the highest turnover in the reference year 2018.

An interesting aspect of our analysis is that five of the 20 accounting companies do not have presentation websites. The other 15 companies presented the range of services available to customers. The main services provided by these entities are accounting, auditing, human resources, business consultancy (generally speaking) and legal assistance - two companies.

The study may be extended by identifying and analysing those factors that determined these companies to address a strategy to diversify the services offered, such as: organizational context, organizational structure, commercial and professional values, existing market competition or the intention to diversify the services.

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