

The accounting expertise – A practical approach

Carmen Elena ANTON¹

Abstract: *The development of the market economy caused major changes in the companies' business management. Sometimes the complexity of the transactions creates difficulties for the partners who enter the scenario of economic relationships, having as final goal the management on efficiency criteria in order to obtain the largest profit possible. Considering the aggressiveness of the economic environment, a series of disputes occur between the entities that resort to the services of an accounting professional to solve these disputes. The accounting professional is meant to perform activities such as the accounting expertise whose purpose is to help determine the material truth in a certain case. This paper is a practical approach to the accounting expertise requested by the claimant and approved by the Court in the case no. 1288/22/2015 of the Brasov Court of Law.*

Key-words: *accounting expertise, accounting professional, evidence, quality of the accounting services, standards*

1. Introduction

The accounting expertise can be found among the activities performed by the publicly certified accounting professionals and which are subject to the regulations and norms of the profession's authorized body, namely the Association of Chartered Certified Accountants in Romania. According to the explanatory dictionary of the Romanian language, the concept of expertise represents a technical research performed by an expert upon the request of a jurisdiction body, of the criminal prosecution authority or of a party. Its object is to research actions, circumstances, situations of the economic financial – activity of entities aiming at scientifically determining the correctness, the incorrectness or the highlighting of the transactions in their management. According to its specificity, the accounting expertise may be judicial – requested by the courts of law as evidence to solve cases deferred to justice as well as extrajudicial – requested by natural persons or legal entities to clarify certain issues related to the company's business. "The accounting survey, whether it enters the scope of judicial procedures or not, has a strong practical character" (Busuioceanu, 2010).

¹ Transilvania University of Braşov, carmen.anton@unitbv.ro

Therefore, accounting services play a very important role in the correct supply of financial information to all users. This type of information must satisfy certain needs, and therefore be useful to all those representing the parties interested in making a just decision, knowing the circumstances of the facts. Financial credibility is given by the accuracy of the information within the documents submitted by professional accountants and auditors (Lapteş and Sofian, 2015).

Considering the diversification of the business environment, the financial – accounting services become more and more important requesting the accounting professionals to permanently adapt and improve, to help the entities go on, to compete in the conditions of globalization, to have a creative thinking and to be efficient in the actions they carry out (Horomnea, 2003).

The quality of the accounting services depends on the quality of the proceedings used in the production and release of the accounting information, but also on the quality of the accounting statements and their conformity to reality and the actual laws (Baba, 2009).

We ascertain that in the field of the financial – accounting services also the consumer of accounting information approaches this field with a lot more experience, they have the proper knowledge to request the circumstances that are meant to substantiate their decision. The consumer perceives more and more rigorously the features of the financial – accounting services and acts accordingly while the expert professional is concerned with the drafted work, thus complying, from a qualitative point of view, with their needs. A qualitative accounting process implies procedures, methods, work techniques and competent personnel to offer reliability to the accounting information users (Baba, 2011).

Therefore, *the Professional Standard no. 35- Accounting Expertise*, IVth edition revised, stipulates norms referring to the quality of the accounting expertise and it is subject to the quality audit normated by the provisions of the Regulation on the quality audit in the field of accounting services. It mainly approaches the consolidation of public credibility regarding the quality of the services provided by accounting professionals and it is performed on the basis of the international standards issued by the International Federation of the Accounting Professionals (*IFAC*). The same register of high quality also lists the SOX Standard (Drumea, 2008) which, by the established regulations, contributes to the increase of public trust in accounting reports.

The importance conferred to the financial – accounting services field impacts not only on the beneficiaries of these services but also on the persons authorized to perform these services who are active members of the Association of Chartered Certified Accountants in Romania. (C.E.C.C.A.R).

Considering the market economy, the significance of the financial – accounting services is found in the message of the Superior Council of CECCAR, 2005:

♦ providing a wide range of services such as: expertise on the assessment of goods, assets, trading companies etc.; financial, legal or contract audit; economic - financial analyses on the companies' redressing and restructuring; accounting and drafting the trial balance sheets, accounting checks and certifications of the financial statements and trial balance sheets etc. ♦ guaranteeing independent activity carried out by the persons performing *this profession as sole business*.

Thus, the expertise is a form of scientific research performed in order to clarify the way in which, through documents, the technical, operational and accounting records reflect certain economic – financial actions, circumstances, situations (Oncioiu et al., 2009).

2. Methodology

The paper puts forward a practical approach of a judicial accounting expertise requested by the claimant and approved by the court in case no. **1288/22/2015 of the Brasov Court of Law**. The object of the case is “civil action of contract liability”, and the case parties are *SC INTERVAL SRL - as claimant and SC CONSTANT SRL – as respondent*. To solve the case the following goals were determined:

- To identify if the fiscal invoices 580/17.08.2013, 581/18.08.2013 and 650/12.04.2014 as well as the receipts 687/18.08.2014, 686/17/08.2013 721/12.04.2014, all issued by the claimant, were registered in the accounting records of the defendant company and to specify the journals they were registered in;
- To determine if these invoices and receipts were relevant in the defendant company's accounting in the sense of making the accounting operations relate to them.

In addressing the established goals, the following steps had to be taken:

- ✓ **Analyzing the bookkeeping documents, provided by the company SC INTERVAL SRL, related to the merits, to the form and content issues;**
- ✓ **Checking the organization of the accounting of the entry of goods and services in CONSTANT SRL, between August 2013 – April 2014;**
- ✓ **Checking the registration in the accounting of CONSTANT SRL of the supporting documents indicated by the established goal;**
- ✓ **Analyzing the accounting registers, forms and documents supplied by the provider organizing the accounting of SC CONSTANT SRL, in the period between August 2013 – April 2014;**
- ✓ **Chronologically checking the operations in the accounting records of the accounting of CONSTANT SRL, in the periods August 2013 – April 2014;**
- ✓ **Centralized presentation of the obtained results for the same period.**

3. Results of the research

Starting from the goals of the expertise, the parties in the case and the accounting services providers of the two companies were requested documents to certify the way to organize the accounting of the purchases and of the deliveries according to the activities determined by the expert in order to perform the expertise.

Goal 1. To identify whether the fiscal invoices 580/17.08.2013, 581/18.08.2013 and 650/12.04.2014 as well as the receipts 687/18.08.2014, 686/17/08.2013 and 721/12.04.2014, all issued by the claimant, were recorded in the accounting records of the defendant company and to specify the journals in which they were registered.

To answer the **goal 1 of the accounting expertise** we examined the following documents:

- Fiscal invoices 580/17.08.2013, 581/18.08.2013 and 650/12.04.2014 issued by SC INTERVAL SRL; Receipts 687/18.08.2014, 686/17/08.2013 and 721/12.04.2014 issued by SC INTERVAL SRL;
- SC CONSTANT SRL of August 2013 and April 2014: Cash register, Trial balance sheet, Accounting journal, Analytical sheet of the account 6811.01 January – December 2014; Purchases register / central list of the suppliers' invoices – months of August 2013 and April 2014 of SC CONSTANT SRL;

According to the examination of the existing documents we found the issues below.

First we have to point out that the registration form in the accounting of **CONSTANT SRL** is created from the system of inter-related accounting registers, forms and documents that serve the chronologic and systematic registration in the accounting of the economic – financial operations made in the reporting period, according to the Order of the Ministry of Public Finances no. 3512 on the financial – accounting documents, the Official Journal no. 870 bis, 23 December 2008, **applicable at the date of the registrations.**

Among the registers and forms used to process, centralize and register in the accounting of the economic – financial operations certified by the bookkeeping documents, according to the accounting law no. 82/1991, considering the particularities of the records kept by **CONSTANT SRL**, the ones which are a priority for the commercial debts are:

- ✓ **The cash register** - document by means of which we keep the records of the cashing up and of the payments in cash in order to daily determine the cash balance and to register the cash operations in the accounting;
- ✓ **The accounting journal** – includes the chronological registration of all the economic- financial operations made within a month. At the end of each month the balance of the accounting journal is taken over in the trial balance sheet, the total rollover of the accounting journal must be equal to the total rollover of the trial balance sheet;

✓ **The auxiliary register of the purchases** is used to analytically register the suppliers;

✓ **The trial balance sheet** – The accounting document used to check the accuracy of the accounting records and the control of the concordance between the synthetic and analytical accounting as the main instrument on the grounds of which the financial statements are drafted.

Considering the reasons above, the fiscal invoices 580/17.08.2013, 581/18.08.2013, 650/12.04.2014 and the receipts 687/18.08.2014, 686/17/08.2013, 721/12.04.2014- as bookkeeping documents – are in the following relationship with the accounting registers and forms studied by the expert:

<i>No.</i>	<i>Bookkeeping documents</i>	<i>Cash register</i>	<i>Accounting journal</i>	<i>Register for purchases</i>	<i>Trial balance sheet</i>
1	Invoice no. 580/17.08.2013	-	Globally registered by debiting the account 611-Maintenance and repairs expenses	Registered with the value of 4.500 lei in the debit of the account 611 - Maintenance and repairs expenses	Total rollover of the accounting journal is equal to the total rollover of the balance sheet
2	Receipt no. 686/17/08.2013	Registered with the value of 4.500 lei	Globally registered by debiting the account 401-Suppliers	-	The account rollover of the accounting journal is equal to the account rollover of the trial balance sheet
3	Invoice no. 581/18.08.2013	-	Globally registered by debiting the account 611-Maintenance and repairs expenses	Registered with the value of 1.900 lei in the debit of the account 611 Maintenance and repairs expenses	The account rollover of the accounting journal is equal to the account rollover of the trial balance sheet
4	Receipt no. 687/18.08.2014	Registered with the value of 1.900 lei	Globally registered by debiting the account 401-Suppliers	-	The account rollover of the accounting journal is equal to the account rollover of the trial balance sheet
5	Invoice no. 650/12.04.2014	-	It is not registered	It is not registered	As it is not registered, we cannot check the correspondence between the rollovers

<i>No.</i>	<i>Bookkeeping documents</i>	<i>Cash register</i>	<i>Accounting journal</i>	<i>Register for purchases</i>	<i>Trial balance sheet</i>
6	Receipt no. 721/12.04.2014	It is not registered	It is not registered	-	As it is not registered, we cannot check the correspondence between the rollovers

Table 1. *The registration in the accounting records of CONSTANT SRL of the bookkeeping documents indicated by the text of goal 1*

Therefore, the invoices 580/17.08.2013 and 581/18.08.2013, as well as the afferent payments made by the receipts no. 686/17/08.2013 and 687/18.08.2014 were recorded in the cash registers, accounting registers, purchases registers and trial balance sheets of the accounting records of *SC CONSTANT SRL* in the periods they were drafted.

The invoice 650/12.04.2014 and the receipt 721/12.04.2014 **are not to be found in the accounting records of SC CONSTANT SRL.**

Goal 2. To determine whether the indicated invoices and receipts were relevant in the accounting of the defendant company in the sense of making the accounting operations relate to them.

The answer to **goal 2** of the expertise required the analysis of the documentary material also listed at goal 1 and to solve the requirement of this goal **required** the monitoring of the way in which the trial balance sheet in the two reporting periods had been drafted, and it implied:

- ✓ Checking the registrations in the chronologic records of the economic – financial operations that the bookkeeping documents indicated by the text of the goal to which reference was made;
- ✓ Checking the transfer of the operations from the chronological record into the analytical and synthetic records;
- ✓ Checking the total debit and credit rollovers, of the total debit and credit amounts, namely of the final balances;
- ✓ Checking the correlation of the previous information with the data of the trial balance sheet;

Therefore, checking the accuracy of the records by comparing the information in the registers with the information of the balance sheets is synthesized in the following way:

<i>No.</i>	<i>Bookkeeping documents</i>	<i>Explanation related to the relevance of the document in the accounting</i>
1	Invoice no. 580/17.08.2013	It is taken over in the chronological and synthetic systematic records of the accounting records and it is found in the correspondence between the total rollover of the accounting journals with the total rollovers of the balance sheets.

No.	<i>Bookkeeping documents</i>	<i>Explanation related to the relevance of the document in the accounting</i>
2	Receipt no. 686/17/08.2013	It is taken over in the chronological and synthetic systematic records of the accounting records and it is found in the correspondence between the total rollover of the accounting journals with the total rollovers of the balance sheets.
3	Invoice no. 581/18.08.2013	It is taken over in the chronological and synthetic systematic records of the accounting records and it is found in the correspondence between the total rollover of the accounting journals with the total rollovers of the balance sheets.
4	Receipt no. 687/18.08.2014	It is taken over in the chronological and synthetic systematic records of the accounting records and it is found in the correspondence between the total rollover of the accounting journals with the total rollovers of the balance sheets.
5	Invoice no. 650/12.04.2014	It is registered in the accounting records
6	Invoice no. 721/12.04.2014	It is registered in the accounting records

Table 2. *Relevance in the accounting records of CONSTANT SRL of the bookkeeping documents listed in the text of goal 2*

The analysis carried out for the answer to this goal lead to the certification of the following issues:

- 1) The invoices 580/17.08.2013 and 581/18.08.2013, as well as the afferent payments made by the receipts 686/17/08.2013 and 687/18.08.2014 *were relevant in the accounting of the defendant company, in the sense of making the necessary corresponding accounting operations;*
- 2) The invoice 650/12.04.2014 and the receipt 721/12.04.2014 **were not registered in the accounting records kept by CONSTANT SRL.**

4. Conclusions

According to the activity of examining the documentary material specified in the introduction and in the content of the expertise report corroborated with the results of the afferent calculations, we draw the following conclusions for the set goals:

The answer to goal 1 of the accounting expertise

- The invoices 580/17.08.2013 and 581/18.08.2013, as well as the afferent payments made by the receipts 686/17/08.2013 and 687/18.08.2014 were registered in the cash registers, the accounting journals, the registers of purchases and the balance sheets of the accounting records of **SC CONSTANT SRL** in the period they were drafted.
- The invoice 650/12.04.2014 and the receipt 721/12.04.2014 **are not found in the accounting records of SC CONSTANT SRL.**

The answer to goal 2 of the expertise

The analysis made for the answer to this goal led to the certification of the following situation:

- The invoices 580/17.08.2013 and 581/18.08.2013 as well as the afferent payments made by the receipts 686/17/08.2013 and 687/18.08.2014 were relevant in the accounting records of the defendant company, in the sense of making the corresponding accounting operations;
- The invoice 650/12.04.2014 and the receipt 721/12.04.2014 **were not taken over in the accounting records kept by CONSTANT SRL.**

Consequently, the judicial accounting expertise activity represents the means whereby the courts of law determine the truth knowing the opinion of specialists in the economic field, namely of accounting professionals.

6. References

- Baba, C.M., 2009. Quality management of the accounting services. *Bulletin of the Transilvania University of Brasov*, Vol. 2 (51), Series V, pp. 59-66 .
- Baba, C.M., 2011. Rapoarte financiar-contabile utilizate în analiza și deciziile manageriale. Editura Universității *Transilvania* din Braşov, Braşov.
- Busuioceanu, S., 2014. Using Extrajudicial Accounting Surveys in Decision Making. A Case Study. *Acta Universitas Danubius, OEconomica*, Vol. 10, no.1, pp. 128-140.
- Drumea, C., 2008. Rules on Business Ethics. SOX STANDARD. *The Amfiteatru Economic journal*, 10 (23), pp.155-160.
- Horomnea, E., 2003. Despre academism în lumea științei contabile. *Public Finances and accounting Magazine*, no. 3, Edited by the Ministry of Public Finances, Bucharest, pp. 18-19.
- Lapteş, R. and Sofian, I., 2015. Dimensions of Financial Audit in Romania and Spain. *Bulletin of the Transilvania University of Braşov*, Vol. 8 (57), Series V, No. 2, pp. 289-302.
- Oncioiu, I., Oncioiu, F.R. and Chiriță, S., 2009. Expertiza contabilă – ca mijloc de probă în procesele penale. *The Institute for Human Resources Development*, Constanța, pdf format, p.6, <http://www.idru.ro/app/wp-content/uploads/editura/ex_cont_proba.pdf, www.idru.ro>. [Accessed 30 August 2016]
- Professional Standard no. 35: Accounting expertise. Application Guidelines, VIth edition, reviewed and updated, CECCAR Publishing House, Bucharest, 2014.
- The Message of the Superior Council of the Body of the Chartered Accountants and of the Authorized Accountants of Romania* 2005. addressed to the participants in the feast with the occasion of the “National Day of the Romanian Accountant” – September 21st 2005, <http://www.ceccar.ro> [Accessed May 2015].
- <https://dexonline.ro/definitie/expertiza>.