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## The Banner of the Anglo-Saxon System and Romanian Accounting of French Origin

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### Abstract:

*Lately, more and more voices are heard, some of the legislative and political sphere, with echo in the executive branch, which is asking the passage to the Anglo-Saxon's accounts (like accounting would change overnight). What is serious is the fact that such requests have an accusatory tone to the book keeping, as if it were be guilty of the hardships they face in the current period of economic corruption that tends to become endemic, emptiness of budgetary resources, the persistence of tax evasion, in front of which the tax device is helpless.*

**Key words:** the Anglo-Saxon system, accounting, statement, balance

### Introduction

Lately, more and more voices are heard, some of the legislative and political sphere, with echo in the executive branch, which is asking the passage to the Anglo-Saxon's accounts (like accounting would change overnight). What is serious is the fact that such requests have an accusatory tone to the book keeping, as if it would be guilty of the hardships they face in the current period of economic corruption that tends to become endemic, emptiness of budgetary resources, the persistence of tax

evasion, in front of which the tax device is helpless. Due to some legislative gaps, or excessive division of tax regulations, as well as confusing parallels, there are many economic agents who defy the law, many of them have not completed elementary requirement to file balance sheets accounts, without having to suffer the consequences. Of all those shown, according to the applicant, or in the opinion of some others, would be held guilty the accounting. It is indisputable that the accounting law has gaps, it should have been changed, so that, since 1992, the date on which it was developed, have held a series of transformations, it has gained a rich experience, an important number of accountants and have changed the way of working and thinking, and since 1994 has introduced a new accounting system, accounting is organized into double circuit - financial accounting, or general and management accounting, or managerial.

In all these years it has invested a lot in the field of accounting, have written hundreds of books have been published thousands of articles and scientific communications, some of them of great scientific outfit by reputed professors, other brand specialist from different fields of activity.

But we must recognize that we have many works with commercial purpose, only for win, that we shall avoid. Consequently, we wish to repeat the opinion of Professor Nicolae Feleagă, as those who read the works of accounting to choose with great care, only good books to read. Read everything in the field is impossible and, often, we enter the sphere of puzzle.

### **The Romanian accounting of French origin**

Romanian accounting is inspired by the French one and it was adapted to the requirements of the market economy and continuously adjusted to the requirements of European and international standards. Romanian specialists are engaged to

express faithfully the revenues, expenses, assets, and economic activity results. But we should recognize that we don't have a consolidated accounting (only an experimental one), we don't apply the inflation accounting and the managerial accounting is formal or is missing, even it is so important for a performance management. To renounce to the actual system of accounting would be an error, after so many efforts, knowledge changing or even skills. It means the second major change in this field – i.e. three accounting systems in only one decade – which is too much.

Apparently, it wouldn't be bad to introduce accounting system practiced by the United Kingdom of Great Britain and Northern Ireland, also known as the Anglo-Saxon accounting system. As described by the teacher Nicolae Feleagă, British accounting system has two important characteristics, namely: "simplicity" and "specificity". In terms of simplicity, it wouldn't be a problem for us, we could get used to this, although we sometimes gift to complicate things. But we are stopped by specificity, because we don't have the way of thinking of the practices of "law norm country", we do not have culture not even in accounting. The English people have imported Italian accounting, managed to develop it and imposed the concept of "faithful image". Note that the Anglo-Saxons took something from other people even today. From those shown, the result as the fans of this attractive cost accounting procedure is simplicity, but still no match, especially in the current conditions, when taxation is a vital issue for our economy, which lies in a comprehensive process of restructuring and privatization. Whether we like it or not, accounting, at present, is subject to taxation, a number of procedures are imposed by the Government through the Ministry of Finance, as tax purposes. The most recent example is that of the difference between the depreciation calculated according to the terms of use of fixed assets calculated on the basis of the terms of use of production capacities. There are many examples of accounting

anomalies. Some accounting firms, which operates in Romania, were inventoried these anomalies and concluded that their number is in the tens.

If this fact is true for Britain, where the Government let specialists to do the job, the new mixture is sometimes suffocating. The accountants in our country have managed to organize the Body of Expert and Licensed Accountants of Romania, it is always damaged by attempts of subordination or marginalization, unfair competition and, in the last instant, no defaming of expert and licensed accountants, with definite purpose, because this independent body does not become what it should be. As a conclusion, I believe that the introduction of the Anglo-Saxon accounting system would upset all the accounting system in our country, as of the most serious consequences, primarily on logic and, by default, on the budget. The Anglo-Saxon's accounts do not match our Latin temperament. If it would be appropriate, it would have been adopted, so far, to France, Belgium, Italy, Spain or Portugal.

As any of the accountants I am committed to liberalization accounting for leaving her under the tutelage of taxation to the Government, but I am aware that this needs to be done gradually. I don't agree with the current tendency of this aspect. Some specialists, or regular people think that by switching to an Anglo-Saxon accounting system, accounting would release under the tutelage of taxation and Government. This is a false impression, because not the accounting cause this, but tax policy of the State, especially a State like ours that makes enormous effort to keep the budget deficit within normal limits.

At some Congress of the Accountancy Profession in Romania, the reputed accountant Sir Peter Kemp looks: "Accounting, as well as medicine, are too important to be left in the hands of Governments". Is this fact is valid for Great Britain, where the government live the specialists to do their job, in Romania they are suffocated.

There's erroneous belief, widespread in public, that the liability of a juridical and economic entities is one who manages the assets of the entity, and, at the same time, the manager of the accounting section.

According to the law, the responsibility for organization and maintenance of accounting under the law rests with the administrator, the accounting officer or other persons, who shall manage the property.

The accounting profession, liberal profession with her rules and norms laid down by laws, cannot be correctly perceived by the public as long as the direct and collateral regulations are unclear and out principles which determine the exercise. That is the responsibility for organization and maintenance of accounting is returning to the only that manages the property. This, in his capacity of trustee, is responsible to the principal alone (entity owners, who have entrusted their assets to manage Administration) and third parties, in accordance with the limits established by the Act and the powers of the constituent entity.

Regarding the liability of subordination of all personnel who manage the patrimony (i.e. all employees not only accountants) it exists only from the one that manages the assets of the administrator-and not from third parties. Thus, the Unit Manager and head of the finance and accounting department carries responsibility under the law to reality and accuracy of data on the situation of patrimony and the reality of financial indicators presented in the reporting prepared.

The liability of the legal entity that manages assets-economic ceases only when the accounting is organized and held by legal persons or natural persons which have the quality of CPA or chartered accountant.

If the laws are interpreted, in complete freedom, against the letter and spirit in which they were developed and approved by the competent legislative body, the perception by the public regarding accounting profession remains confused and, mostly,

as shown earlier, the conditioned reflexes of old practices laws and rules obsolete of the times we live.

## **Conclusions**

The clarity of the normative acts in the field of financial accounting is of primary importance in the application of the accounting profession in the current period, and the convergence between the two international accounting systems - the Anglo-Saxon one and French one based on the IFRS - is obvious. European accounts earn increasingly more land because he borrowed key elements of the Anglo-Saxon's accounts which refers to the format of the balance sheet, profit and loss account and the growing inclination that accounts should have towards business and profit and not toward taxation.

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