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## THE ROLE OF ACCOUNTING EXPERTISE IN THE ROMANIAN FREE MARKET ECONOMY

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**Abstract:** *The contemporary era is characterized by an unprecedented development of business due to the expansion of capital and information technology, which has generated structural changes in the business environment. These changes have had a direct impact on the way business is conducted. As a result, disputes are arising more and more frequently and, in order to resolve them fairly, the services of experts are needed.*

**Keywords:** *Accounting expertise, economy, free market, accounting expert, accounting methods*

Romania's move towards a real and competitive market economy has brought about fundamental changes in the structure of companies' capital and assets, changes which require a profound reconsideration of the very concept of management of economic units and of the way in which chartered accountants and/or certified accountants approach and carry out in practice the object of study of accounting, which is assets.

As essential features of the free market economy:

- the existence of a wide range of forms of ownership, with the private sector predominating;

- operation of enterprises strictly on the basis of free market mechanisms, efficiency, profitability and decision-making criteria;

- the exercise by the state of a role of free will, which simply sets the rules of the game by establishing economic policies, a role similar to that played by the state in the economies of advanced countries;

- Romania's wide openness to the outside world, finding its place in the global economy, which is rapidly taking shape.

In order for the market economy to function efficiently and in conditions of real and fair competition, a fair economic environment must be created for all partners in the social game (enterprises as independent and autonomous patrimonial entities). This can be achieved through the creation of a coherent legislative framework, without restrictions and constraints from the state, and through appropriate economic levers.

The ultimate goal for all participants in economic life, in a given economic environment each enterprise is free to spend, produce and save in accordance with its own development strategy, is to make as much profit as possible.

To do this, companies must organise their business on the basis of efficiency, profitability, management and organisational capacity, and must adapt to the increasingly aggressive and dynamic national and international economic environment. The transition to a market economy has involved a genuine managerial revolution, the selection and promotion of new generations of managers with genuine professional competence, prepared to act effectively in the conditions of a market economy and to contribute to the prompt settlement of disputes.

The profound changes in Romanian society have had a direct impact on the way business is conducted, as well as on the accounting profession. The profession of accounting profession is concerned with accounting doctrine and practice.

The concept of expertise is a thorough research, of a technical nature, carried out by an expert, a specialist of high standing, in a particular field.

Expertise is an attribute of science, and the expert was, is and will be a scientist.

According to the definition in the Explanatory Dictionary of the Romanian Language, expertise is a research activity, of a technical nature, carried out by a high-ranking specialist in a specific field, with the aim of establishing the material truth in a specific case, problem or dispute. The expert has acquired this quality by law, following an examination and is recognised by a professional body.

In using the expression “expert” the legislator referred to a certain category of persons who, by virtue of their studies, knowledge and, where provided for by law, certification obtained after an examination, are experts in a particular field of activity and who, by the findings and conclusions they formulate as a result of their appointment to a particular trial or criminal prosecution or investigation file, assist the bodies which ordered their appointment in the resolution of the case.

Using methods specific to the science of accounting and focusing on the rules of economic law, the chartered accountant provides the judicial body with conclusions based on records and documents on facts for which specialist knowledge is required.

An accounting expert is an investigative activity carried out by an accountant with the objective of establishing the truth in a given case or dispute, to clarify how certain facts or situations of an economic and financial nature are reflected in supporting documents and accounting records. Expertise, in general, is:

- the investigative activity carried out by a specialist, who has the status of expert, with the aim of establishing the truth in a given situation, matter or dispute;

- “a means of proving, establishing, confirming, evaluating, clarifying or proving, on the basis of specialised scientific research, the objective truth about a given fact, circumstance, problem, situation, cause or dispute”.

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As a means of evidence, expertise is defined in many variations in form but essentially identical in content.

According to the literature, expertise is:

- “the operation performed by one or more experts for the purpose of ascertaining certain facts, controlling, examining, measuring and evaluating certain things”

- “the operation entrusted to persons, on the basis of their special knowledge, on facts which judges could not assess;

- ‘a means of investigation, by which either the obtaining of evidence or the accurate evaluation of existing evidence is achieved’;

- “an investigation consisting of various operations specific to each specialty”

- “a means of proof governed by the Code of Civil Procedure, to which the court has recourse when, in order to establish the objective truth, it is necessary to clarify certain factual circumstances, the resolution of which requires specialist knowledge in the field of science, technology, art or a trade which the judge does not possess”;

- “a means of proof ordered or requested by the court in civil or criminal matters, carried out by a specialist in the subject-matter of the dispute, who, by virtue of the knowledge and experience which he possesses, is required to clarify various aspects which are necessary to know in order to resolve a case”. Another definition of chartered accountancy is that chartered accountancy is a task of the accounting profession that can only be performed by persons who have acquired the status of chartered accountant under the law, being registered, with a valid licence to practice the profession, in the Register of chartered accountants, updated annually by CECCAR.

We consider the accounting expertise as a scientific research work because, in its own way, it is unique, each expertise having characteristics and documents that are not found in any other expertise.

The accounting expert’s report covers only the economic and financial side of the facts and circumstances being examined, the legal side being outside the competence of the accounting expert.

The addressees of judicial accounting expert opinions are the bodies entitled to order the expert opinion to be carried out - the bodies responsible for investigating criminal cases and the courts in civil and criminal cases, as well as the parties involved in the judicial proceedings, including third parties, whether natural or legal persons, to whom the expert opinions may be enforceable.

The activity of chartered accountancy is attributed only to chartered accountants, active members of the Romanian Body of Chartered Accountants and Certified Accountants. Accountants who wish to carry out forensic accounting expertise must pass the test to be enrolled in the Group of Forensic Experts, called GEJ.

The activity of chartered accountancy is organised by CECCAR, the professional body that manages this activity. In accordance with OG 65/1994 amended by Law no. 162/2017 on statutory audit of annual financial statements and annual consolidated financial statements and amending certain regulatory acts. Using methods specific to the science of accounting and focusing on the rules of economic law, the chartered accountant provides the judicial body with conclusions based on accounting records and financial accounting documents on facts for which specialist knowledge is required. There are some similarities and fundamental differences between expert and witness evidence. The fact that the legislator himself classifies both expert and witness evidence in the same procedural category of evidence shows that both the witness and the accounting expert are third parties in the process, with a common purpose: through the procedural activity they carry out, to contribute to the establishment of the truth by the courts and the prosecution or criminal investigation bodies.

Unlike a witness, who recounts past facts, an accountant draws his own conclusions, new to the case, based on financial and accounting documents and records. The witness, being a product of the circumstances of the case, cannot be replaced, as long as the chartered accountant is chosen from among specialists in the field of expertise.

The conclusion that emerges is that, in order for the accounting expert to meet the purpose for which it was ordered, it must show a high degree of contributory index to the resolution of the case in question. Being evidence equal to any other evidence, only the expert accountant's report cannot simply be accepted, its character as scientific evidence, useful to the case, being inferred only after a thorough analysis and critical assessment of it.

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