

The Study On International Cooperation Made By The Romanian Professional Accountancy Bodies

Greti Daniela Avram

PhD Economist

gretiavram@gmail.com

Marioara Avram

University of Craiova

Faculty of Economics and Business Administration

marioaraavram@yahoo.com

Veronel Avram

University of Craiova

Faculty of Economics and Business Administration

veronelavram@yahoo.com

Abstract

Professional bodies with responsibility in regulating the accounting profession in Romania, with a vast experience in the field, such as Body of Expert and Licensed Accountants from Romania, the Chamber of Financial Auditors from Romania, Chamber of Financial Consultants from Romania, National Association of Certified Evaluators from Romania, are intensively cooperating with international bodies in order to develop accounting profession and support the accountants in providing high quality services to the public.

Cooperation of the professional bodies involved in the regulation of the accounting profession has one fundamental objective: development of a strong accounting profession, able to serve the public interest, spread information and recommendations among its members, as well as providing services of the highest professional level.

Key words: accounting profession, cooperation, international standards, professional bodies, quality.

J.E.L. classification: M41, M48.

1. Introduction

Accounting profession is one of the few professions recognized at European level, being governed by Directive 2005/36 / EC on the recognition of professional qualifications. This is "one of the few professions that assumes responsibility to the public interest, meaning it does not only look after the needs of shareholders, but also those of employees, suppliers, customers, banks, investors etc." (Balteş and Minculete, 2014, pp.12-14).

The task of establishing and developing a professional body in the accounting domain can be a demanding and difficult experience at the same time. Collaboration and learning from other precursors, with extensive experience in this field, can be a valuable support in achieving goals and their expertise and experience in managing professional bodies in terms of collaboration with local authorities, regulatory institutions and providers of education represent valuable resources.

In order to conduct international business and collaborate with international organizations, the professional bodies in Romania need to follow several important steps in this respect:

- to be a non-commercial and non-governmental body;
- to be accepted and recognized by all its members;
- to have good reputation among public authorities and the general public;

- to have the ability to develop or influence professional standards (ethics, discipline, professional practice, quality control);
- its members must be authorized to carry out at the highest possible level the traditional activities;
- have the managerial capacity and resources to fulfil its mission and objectives.

The best international practices have been adopted by the professional bodies for the development of accounting profession, providing for their members the most appropriate standards of work, behaviour and quality. All this was possible through the cooperation with international organizations in the field of finance and accountancy.

Professional bodies are important „for the determination of a more balanced framework of evaluation of options, procedures and results, from the perspective of both those proposing certain solutions and the ones targeted by the decisions. The public and the business entities should be protected from an eventual malpractice on behalf of accountants. This protection is ensured when the professional body sets some effective measures regarding the education of professional accountants, efficient measures of professional ethics” (Grigori, 2014, pp.8-11).

„The professional accountants, through the nature of their activity, have been and are pioneers of the process of integrating the Romanian business environment into a European and an international one. The professional accountants are permanently confronting with the high standards of the exigent international business environment, having to improve continuously the professional training level, contributing in this way to the increase of the business environment efficiency and, of course, the obstacles which still exist will have to be surpassed” (Avram and Avram, 2009, p.15).

2. International Relations of the Body of Expert and Licensed Accountants from Romania

In the most important European organizations of continental importance, in particular the Council of Europe and European Union, labor legal standards are elaborated, applicable at international level (Avram and Nastasie, 2013, p.150). Body of Expert and Licensed Accountants from Romania (CECCAR) is the professional body managing the accounting profession in Romania, being nationally represented through its 42 local subsidiaries, one in each county. Its role is „to sustain and promote high quality professional practices, proving a great concern for the competence, aptitudes and ethics of those active in the field of accountancy” (Cucoşel, 2014, p. 20).

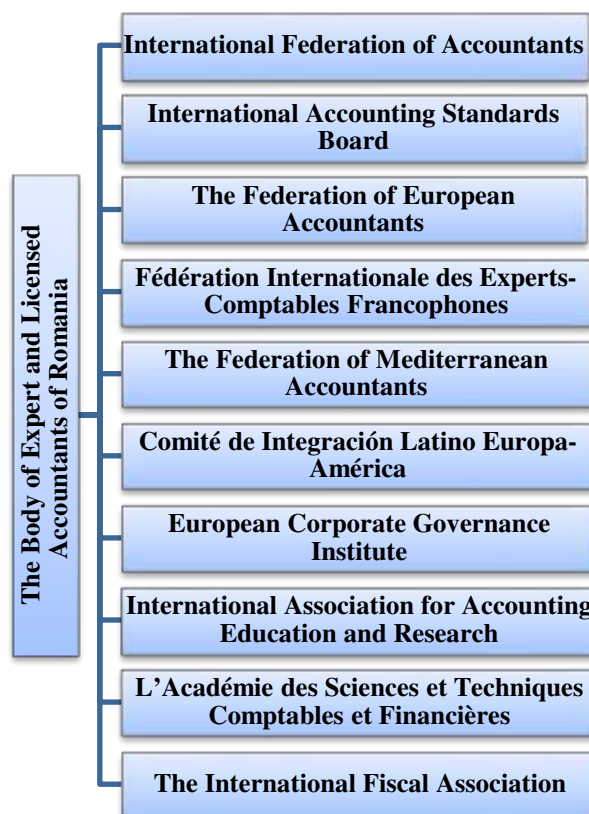
Body of Expert and Licensed Accountants from Romania has organized a number of national and international events which were meant to support the professional accountants and permit a better acknowledgement of the accounting information, so to gain a better position in this continuous competition imposed by globalization. All these events have also proven that services provided by accountants are services of public interest, which is enough reason for them to try to improve professionally by acting with a „positive aggressiveness” in their profession.

Body of Expert and Licensed Accountants from Romania represents an important voice within the international professional bodies, being an active member in these representative bodies with attributions in the accounting field. It has numerous agreement of cooperation (site CECCAR) at international level as can be seen in Figure no.1:

- *IFAC – International Federation of Accountants* – is the global organization of accounting profession. It collaborates with all the 164 members and associated members from 125 countries to protect the public interest by encouraging global accountants to apply high-quality practices. The bodies which are members and associates of IFAC are mainly professional accountancy bodies, representing 2.5 million accountants employed in public practice or in industry, commerce, education and public institutions etc. IFAC is the global organization for the accountancy profession covering all sectors and specializations of this profession: business accounting, tax consulting, audit, information technology, insolvency etc.
- *IASB – International Accounting Standards Board* - is the independent body focused on the normalization of standards within the IFRS Foundation. Its members are responsible for the development and publication of IFRSs, including the IFRS for SMEs and the approval of the IFRS Interpretations elaborated by IFRS Interpretations Committee (formerly IFRIC).

- *FEE – The Federation of European Accountants* – is the organization representative for the accountancy profession in Europe. 45 professional institutes of accountants from 33 countries are FEE members. FEE member bodies are present in all 27 EU Member States and in three EFTA member countries. FEE member bodies represent more than 500,000 accountants in Europe.
- *FIDEF – Fédération Internationale des Experts - Comptables Francophones* – was founded in 1981 and aims at bringing together professional accountancy organizations in francophone countries to which they provide a structure for exchange and cooperation to protect and promote the French accounting profession and to ensure competence internationally. The organization brings together 30 active members and 13 associate members, representing 55.000 professionals in 34 countries on four continents.

Figure no.1 CECCAR – International Cooperation



Source: Own projection

- *FCM – The Federation of Mediterranean Accountants* - represents the accounting profession in the Mediterranean region. 21 professional institutes of accountants from 16 Mediterranean countries (Albania, Bulgaria, Cyprus, Egypt, France, Greece, Israel, Italy, Kosovo, Malta, Morocco, Romania, Serbia, Spain, Tunisia, and Turkey) are part from this organization, plus other two associate members, ACCA and FIDEF. FCM member bodies are present in eight EU member states and represent more than 320.000 professionals. FCM's mission is to promote cooperation between professional accounting bodies in the region, both in the private and the public sector, to exchange information and provide technical assistance in helping members achieve and maintain professional standards and certification quality.
- *CILEA – Comité de Integración Latino Europa-América* - was founded in 1997 and includes 26 professional bodies in 18 countries on two continents Latin. The CILEA mission is to facilitate communication between countries in Europe and in Latin America to reach common standards in the harmonization of professions and for the dissemination of convergent positions which represent the approaches of Latin professions to professional issues.
- *ECGI – European Corporate Governance Institute* - is a non-profit scientific international

association. It is a forum for debate and dialogue between academics, legislators and practitioners, focusing on the important issues of corporate governance and promoting best practices. Its main role is to undertake, to initiate and disseminate all the research on corporate governance.

- IAAER – International Association for Accounting Education and Research - is a global non-profit organization. Its mission is to promote excellence in accounting education and research worldwide and maximize the contribution of accounting academics in developing and maintaining high standards of quality for the accounting practice recognized globally.
- L' ACADEMIE – L'Académie des Sciences et Techniques Comptables et Financières - is a platform of services that facilitates the exchange of information on various topics and helps identifying best practices. It also provides transparent accounting and financial information. Academy gathers around 65.000 professionals in 25 countries and in different environments: accountants, financial managers, internal auditors, financial analysts, etc.
- IFA – The International Fiscal Association - is the only non-governmental and non-sector international organization concerned with tax issues. Its objectives are the study and promotion of international and comparative legislation on public finance, especially international tax law and comparative economics of taxation. IFA wants to achieve these objectives through its annual Congresses and its related scientific publications and scientific research. Although IFA activities are essentially scientific, the selected themes take into account the current fiscal developments and changes in local laws. IFA has nearly 12.000 members in 100 countries. IFA members have established subsidiaries in 62 countries.

Body of Accounting Experts and Licensed Accountants of Romania has developed outstandingly, in the service of economy, and has contributed to the organization of the accounting profession at European and international level by organizing congresses every two years, since the onset of this organism in 1923, with the participation of numerous specialists worldwide.

By organizing numerous events, Body of Accounting Experts and Licensed Accountants of Romania proved concerned about the Romanian economy, the quality of services provided by professional accountants and became, over time, a cohesive professional body which assumes full responsibility towards the public to promote the policy of accounting reform in Romania as part of the government's economic reform program and complies with international standards recommended by the European Commission under European Directives.

3. The cooperation of Chamber of Financial Auditors of Romania with international and national organizations

Chamber of Financial Auditors of Romania, in order to serve the international interests of the whole Romanian accounting profession, has accessed membership status in international bodies such as:

- a full member of the International Federation of Francophone Accounting Experts (FIDEF) – 6 May 2006;
- a full member of the International Federation of Accountants (IFAC) – 13 November 2008;
- a full member of the European Federation of Accountants (FEE) – 16 December 2010;
- institutional member of the International Association for Accounting Education and Research (IAAER) – 17 April 2010.

Also, the Chamber of Financial Auditors of Romania has signed several cooperation agreements with international organizations in developing and improving accounting profession in Romania. Among them, those who have a deeper impact are:

- Cooperation Agreement between the CAFR and ACCA, on professional training - April 11, 2008 and the Agreement of Cooperation on professional recognition - January 5, 2011;
- Cooperation Agreement between CAFR and the Association of Accountants and Auditors of the Republic of Serbia - November 6, 2008;
- Cooperation Agreement between the CAFR and the Chamber of Auditors of Azerbaijan – 5 May 2009;
- Cooperation Agreement between the CAFR and the Institute Licensed Accountants of Scotland

- (ICAS) – 26 June 2009;
- Cooperation Agreement between the CAFR and the Institute of Certified Accountants from England and Wales (ICAEW)– 27 June 2009;
- Cooperation Agreement between the CAFR and the Institute of Certified Public Accountants in Bulgaria - June 26, 2009;
- Cooperation Agreement with the Hungarian Chamber of Auditors (MKVK) - October 26, 2009;
- Cooperation Agreement with the Union of Auditors of Ukraine - October 26, 2009;
- Cooperation Agreement with the Association of Professional Accountants and Auditors of the Republic of Moldova (ACAP) - March 9, 2010;
- Cooperation Agreement with the Lithuanian Chamber of Auditors - October 27, 2010;
- Cooperation Agreement with the National Institute of Professional Accountants, Financial Managers and Economists in Russia (NIPA) - April 21, 2012;
- Cooperation Agreement with the Board of Auditors of Russia (RCA) - November 6, 2013.

Chamber of Financial Auditors of Romania annually organizes numerous conferences, events and actions, where professional debates are held that bring together presidents and high-level representatives of organizations of professional accountants and auditors from: Azerbaijan (Chamber of Auditors from Azerbaijan), Georgia (Federation of Professional Accountants and Auditors from Georgia), Moldova (Association of Professional Accountants and Auditors of the Republic of Moldova), Russia (Russian Board of Auditors and the National Institute of Professional Accountants, Financial Managers and Economists from Samara), Ukraine (Union of Auditors of Ukraine, Ukrainian Chamber of Auditors) and financial auditors who are members of the Chamber of Auditors of Romania, in order to raise the prestige of the profession of auditor.

4. Cooperation of the Chamber of Financial Consultants from Romania and the National Association of Certified Evaluators from Romania

Chamber of Financial Consultants from Romania has a smaller area of cooperation, compared to the two remarkable professional bodies in the accounting profession, the Chamber of Financial Auditors of Romania and the Body of Expert and Licensed Accountants from Romania, becoming a member of the European Tax Confederation from 26 September 2009. It collaborates with other specialized organizations in the country facilitating the opportunity for members to deepen their knowledge in the field of taxation.

Chamber of Financial Consultants from Romania organizes the annual regular Conference, where are discussed the main aspects of the accounting profession in matters of taxation. By organizing events, it aims carrying out activities aimed at developing professional skills and ethics, promoting conceptions common of its members in terms of professional practices with the regulatory and supervisory authorities, as well as the exchange of information and best practices among its members. National Association of Certified Evaluators from Romania has obtained from TEGoVA (The European Group of Valuers Associations) the recognition of the right to grant the status of Recognized European Valuer to its members who meet the necessary conditions. The system of recognition of European valuers is meant to maintain, improve and harmonize evaluation standards and the profession of evaluator in Europe. By granting the status of Recognized European Valuer- REVTM, this scheme offers individual evaluators from EU countries a well defined indicator of quality and experience, in order to assure the beneficiaries of valuation services on their professional competence.

5. Conclusions

„For Romania, a safe manner of departing from periphery is the capitalizing the potential of creativity, research and innovation through a coherent strategy in this area” (Avram and al., 2014, p.50) and full - fledged participation in specialized international professional bodies. We consider that international relations, achieved through the cooperation of Romanian professional bodies with international organizations representative in the field of accounting, are aimed at reuniting the leaders of the accounting profession (including professionals working in public accounting firms,

academic specialists in accounting, accountants in national and international businesses, professional institutes and thousands of accountants, regulators, standards' creators and other stakeholders) for the further development of a high-quality global accounting profession.

As a result of international cooperation, professional bodies provides us the accents in the development of the accounting profession internationally; regional and global approaches in terms of accountants' qualification; assisting professionals in continuous professional training; striking a balance between learning activities perceived to be relevant for the profession and activities considered relevant in terms of the objectives of any accountant in a developed economy.

In the future, our goal is to maintain existing relationships and to contribute to the formation of partnerships between universities and businesses with the support of professional bodies in which both parties will be encouraged to become 'drivers' for change and both will have valued contributions in the training process.

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