# The Role of Accounting in Conducting Judicial Accounting Expertises and their Evolution in the Digital Era

Andreea-Cristina Savu
Lucian Badalau
"Valahia" University of Targoviste, Romania
andreea savu@ymail.com

#### **Abstract**

Accounting is a mysterious game of great people, done well for you and me, according to the rules and theories of the subject, to know where you came from and where you want to go.

The role of accounting is to know and reflect the reality, from an economic point of view, through an abstract representation of the data content, in a concrete way.

The objective of the article is to try to highlight the role of accounting in conducting forensic accounting expertise. Related to this, we will see how it can be a definite proof, or it can be creative, leaving the impression of a perfect appearance, but which through working tools able to validate the economic reality is unmasked, with not very encouraging results for the future.

The proposed working hypotheses are whether through accounting we can reflect the economic reality, with its help we can support the compliance with tax obligations and whether the accounting expertise is a reliable source.

**Key words:** accounting, tax evasion, forensic accounting expertise, digital technology, evolution **J.E.L. classification:** M40, M41, M49

## 1. Introduction

The information that is verified within the accounting expertise is found in the accounting in the form of financial-accounting documents. The reflection of economic processes, phenomena and events depends on how the accounting documents comply with the minimum content criteria and on how they were processed. The accounting expertise through its way of conducting does nothing but express its opinion on how the accounting information contained in the documents already prepared reflects the reality, is correct and provides a true picture of the activity carried out. The accounting expertise can sometimes have as object the performance of calculations based on the existing information in accounting, as well as the verification of the way in which certain salary rights, obligations towards the state, suppliers, clients, associates, private property, etc. were determined.

The accounting expertise deepens the accounting information and materializes its content in the form of the expertise work, based on which users can make decisions or decisions that establish the social, economic or financial order. While accounting researches events or processes of an economic-financial nature, processes and interprets data to provide an image of the results obtained, going through a long process of activities, accounting expertise answers only questions, but can sometimes overlap the whole process. of registration, processing, reporting and analysis of economic phenomena and processes, alterations covering only isolated aspects of accounting, taxation, etc.

The answers must be based only on the information provided by the accounting records and on the explanations given by those entitled. Expertise appears as a superanalysis that takes place on a subject to be controlled and that restores normalcy. There is an inseparable link between accounting and accounting expertise.

The common goal of the two disciplines is to mirror reality and provide conclusions to users for making the best decisions.

By approaching this article, I want to emphasize the role of accounting in conducting accounting expertise, arranged or commissioned, to find out the truth.

As accounting documents or financial information are mostly presented in digital format today, this also has an impact on accounting expertise. Digitization aims to eliminate human errors in document processing, reduce processing efforts, automatically correcting some mistakes, omissions and making certain information in a timely manner. Obtaining correct and timely data is also the objective of accounting expertise, which through the answers formulated must contribute to solving the cases brought to trial, knowing the culprits, the value of their guilt, entering the rights of the injured, removing fraud, increasing trust in the institution called justice, making the best decisions about the business of the future, etc.

If modern technology can also benefit accounting expertise, it is my challenge and one of the aspects of the topic. The work of accounting experts is done by processing the text to obtain a printable document and spreadsheets, without connections to cloud accounting software, integrated POS, ANAF platforms, online markets, etc.

The joint efforts of the authorities in the field of digitization lead step by step towards the realtime knowledge of the deviations from the normal path and can prevent their realization or elimination.

Starting from this challenge and continuing the steps taken by Romanian courts through applications, by integrating modules from taxpayers' accounting platforms, through digital platforms of state institutions (taxation of electronic cash registers, introduction of electronic invoice, collection of information from taxpayers through the SAF-T form), connecting with the platforms of professional organizations with activities related to accounting (insolvency, audit, evaluation, tax consulting) consulting social media platforms, I consider it important to get some results in this field.

Through this online platform we propose to integrate only a few platforms in Romania to exemplify that digital markets can be created that offer digital services to users, better than offline and more reliable. Through this, we want to make expertise a valuable work, intelligible, useful and ready at the right time, increasingly interested in the users for whom it is intended. Then, through survey research to determine the impact at the level of certain categories (citizens, public institutions, administrative authorities, economic agents, insurance companies, brokers, NGOs) who are interested in the smooth running of the society in which they live, by pronouncing correct decisions and making decisions by business people. The application will give the possibility to connect entrepreneurs or citizens interested in the smooth running of society, professionals, digital services being the tool to connect them.

The result of our research is based on a series of significant bibliographical references for the approached topic and on the personal findings made in the field of scientific research.

The question that arises at this time, regarding the research started is whether the accounting expertise works developed on the platform will have an impact on the decision-making process by law enforcement and whether they will contribute to streamlining the work of those who perform them and those who uses.

## 2. Literature review

The browsing of the specific literature was done by selecting the most current and relevant sources for elaboration, from books, reliable scientific articles, as well as from other sources. Tangentially with the approached topic was studied the national and European legislation and cases from the judicial practice of the Romanian courts (jurisprudence).

The purpose of this scientific knowledge is to define concepts, analyze situations, critique problems, summarize knowledge and obtain results and to create a bridge between them, without being an exhaustive presentation.

In writing this article, we chose to deal with a serious problem in the world, but also in Romania, which affects the return of the economy to normal. For 30 years, there have been "loopholes" that allow the system of payment of tax obligations to the state budget to be unfair (in the case of salaries paid in IT, construction, agriculture but also for undeclared work, underground economy, non-compliance legislation, the reduced degree of collection, the lack of digitalization of state institutions, etc. Romania has the lowest degree of collection of taxes and fees in the EU (up to 30% of GDP) and hence the achievement of budget deficits, which is why rarely to interest-bearing loans, which affect

the future of the young generation. Although known to politicians, the situation persists, many being interested in a solution, but it is not known when and how.

Therefore, we also start our research with the general purpose of how to improve the information provided by accounting to help prevent and combat tax evasion.

The justification of the wording is motivated by the fact that the expertise is based on the accounting information that provides the basis for formulating the answers and implicitly in making appropriate decisions by users.

The objectives of the research were established according to the "SMART" method, according to which, they must be, specifically, measurable, accessible, realistic and within the deadline.

The accounting records the economic operations in an orderly and chronological manner, establishing the financial results over a certain period of time. Based on the processing of financial-accounting documents, certain information is obtained regarding the activity carried out and the contribution of each one to the fiscal revenues of the state budget is determined.

Therefore, the role of accounting is to reflect reality and requires specialized theoretical and practical knowledge. If this is the declared role of the object of accounting, how do skidding happen and resort to specialized works that validate / invalidate the results? The answer can sometimes be at the limit of legality, sometimes being intentional and punished according to the law, but always revealed in order to discourage inappropriate practices in the future.

The wide range of accounting expertise includes the establishment of taxes and fees due to the consolidated state and local budgets, debts and receivables of suppliers and customers, loans and interest due by bank customers at a specified time, recognition of salary, pension and other rights, the establishment of damages, damages and examples can continue.

As the object of expertise is to determine how economic phenomena and processes have been reflected in accounting, it is mandatory that the work be impartial, taking into account their importance for substantiating decisions, they have no purpose in themselves but a general purpose.

The literature in the field of accounting is always in the attention of specialists in legislation and must always be studied and interpreted by accountants in relation to all changes that occur and applied to correspond to the periods to which they refer. Their role is growing in relation to the partners in the service of those for whom they carry out activity, these being considered today reliable participants in a common activity.

We are confident that the purpose of our research can be achieved, helped by the digital age in explosive evolution, the accounting specialist no longer being in the back of a pile of papers (supporting documents) with which he struggles 24/24 hours, but in front of documents easy to process and with minimal effort, from anywhere, but which is otherwise prepared and cannot be left behind by technological evolution, as shown in figure no.1.

Figure no. 1 The accounting specialist behind a pile of papers



Although it is not recognized by the great masterpieces made in sculpture, painting. literary works, film, theater or music, accounting requires skill and refinement, it means continuity, attitude, optimism, theory and practice. If for speaking a foreign language you need a correct pronunciation and knowledge of vocabulary. for practicing accounting you need knowledge in all areas of activity and a lot of dedication. He who does not penetrate his secrets cannot hold "reckonings", although we all do this! But how do we do it?...and how much trouble do we give others to manage?!

Source: https://www.keez.ro/blog/contabilitate-digitala/ai.html

Source: Own source

Today we form a common body with IT professionals, the liberal professions, the state and we want to be able to answer the problems of our partners, our motto being "RESULTS".

## 3. Research methodology

From the point of view of positivist epistemiology, the article is based on concepts specific to accounting doctrine and practices, in our country, in the community and international space, influenced by professional estimates and assessments.

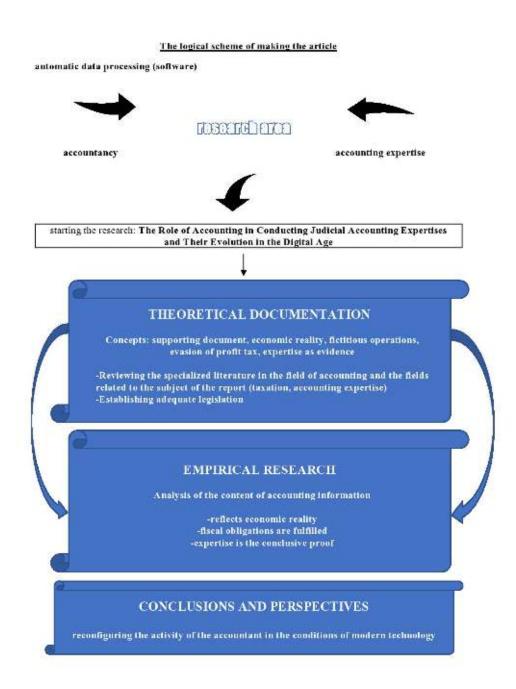
The methods used for the analysis of accounting information were logic and personal, deductive and inductive premises, both complementing each other.

Based on the scientific research carried out, conclusions were drawn and proposals were made for future directions, the diversity of aspects to be deepened being very large and in an evolutionary development.

The limitations are inherent for our research, there are restrictions both in the study of the literature and in the exemplary part and the results of the research action, the field being large. Despite all the existing limitations, however, our research is important for combating tax evasion, given the importance of accounting information.

Regarding the main purpose of the research, we assumed the idea that the article reflects a subjective reality, being the result of our work, based on current knowledge and judgments issued, as shown in figure no. 2.

Figure no. 2 The logical scheme of making the article



Source: Own source

### 4. Findings

Regarding the main purpose of the research, we assumed the idea that the research reflects a subjective reality, being the result of our work, based on current knowledge and judgments issued.

The logic developed in our research is given by the general rule of accounting, ie that of mirroring exactly the economic reality, thereby bringing benefits both in the interest of the state and the citizen.

Within its scope of action, inter alia, accounting contributes to the establishment and collection of taxes and duties, which is essential for the smooth running of the company. In this sense, accounting is a guarantor in preventing and combating tax evasion, an aspect that we investigate through this paper.

Specific to the researched topic, the accounting aims at the correct establishment of taxes and fees and the payment of term tax obligations to their beneficiary. Related to this, we will see how it can be a definite proof, or it can be creative, leaving the impression of a perfect appearance, but which through working tools able to validate the economic reality is unmasked, with not very encouraging results for the perpetrator.

In case of legal non-compliance, the accounting provides information for the certain determination of the damage caused, an amount that includes in addition to the main debt due and ancillary tax obligations. The state institutions trust the taxpayers who, through the declaratory system, assume their deeds, and in case of forgery in public documents, with the bearing of the damages caused.

In order to achieve the general objective subscribed to the research, we made a theoretical documentation, by reviewing the specialized literature, of the criminal schemes found in judicial practice and we practically exemplified how accounting uses specific mechanisms to combat tax evasion. The acts of tax evasion constitute economic-financial crimes, committed intentionally or through fault, incriminated by the New Criminal Code, facts that affect the patrimonial and non-patrimonial relations between persons, as subjects of criminal law.

The ways to evade the payment of profit tax are achieved through various criminal schemes, such as: companies such as "tax havens" (offshore), "ghost" (missing trader fraud), intra-Community VAT fraud ("carousel").

The research is empirical, which means that it uses empirical evidence. Knowledge was acquired through observation and indirect experience. We aim for the purpose of our research to lead to the progressive growth of economic construction, in order to reach a continuous development.

If you can handle a pile of paper, you're an artist, and accounting is just an art.

#### 5. Conclusions

Conclusions and proposals, come to conclude the article, with personal opinions, criticisms, limitations and proposals for future study to continue the thorough study of some issues in the field. Practice has shown that any field researched, develops and gives the opportunity for a new study, because the problems change, do not remain the same.

Another limitation is the ignorance of the areas in which unrealistic reporting can usually occur. For a future study, we recommend deepening the topic in terms of issues such as: methods to prevent tax evasion in various areas, the profile of the suspect, deviations, corruption, risk reassessment, methods of efficiency of bodies last but not least, the completion of the legislation in the financial-accounting field regarding the declared incomes and deductible expenses, the supporting documents, the security of the software, the harmonization of the accounting.

At the end of this research, we conclude that through the efficient use of accounting mechanisms to combat tax evasion, permanent review of legislation in the financial-accounting field, eliminating legislative gaps and compliance with legislation by individuals, training and involvement of competent bodies in combating evasion, it can considerably reduce tax evasion, which would lead to an increase in the revenue allocated to the state budget and a better life for everyone.

From the perspective of the elaborated scientific approach, we consider that the research objectives have been met.

We propose a reconfiguration of the accountant's activity in the conditions of modern technology, so that operations that do not exist in reality can no longer be registered, bank transactions are recognized and recorded immediately and accurately in accounting, and anomalies detected, corrected in time, information documents from accounting integrated in the platforms of the fiscal body, for an efficient and timely control and others.

Thus, the accounting platforms will be easier to access, the audited economic information at the most significant levels, the economic-financial information will be able to be obtained and processed in time for making the most important decisions and for the correct reporting, from the level microeconomic and up to the macro-economic level. But all this will be the subject of future research. The steps are many and small, but it guarantees success!

#### 6. References

- Boulescu M., Ghiță M., 1999. Accounting expertise and financial-accounting audit. Bucharest: Didactic and Pedagogical Publishing House;
- Botez D., 2005. Current trends and perspectives of the accounting profession in Romania. Iaşi: Sedcom Libris Publishing House;
- Crişan E., Nemeş R., Nolden N., 2015. Guide of good practices in the field of combating tax evasion crimes. Bucharest;
- Dobroteanu L., 2005. Genesis and future in accounting. Bucharest: Economic Publishing House;
- Horomnea E., 2003. Basis of Accounting. Concepts, applications, lexicon. Iaşi: Sedcom Libris Publishing House;
- Matiş D., 2010. Basis of Accounting. Foundations and premises for an authentic professional reasoning. Cluj Napoca: The House of Science Book Publishing House;
- Oncioiu I., Oncioiu F., Chiriță S., 2000. Accounting expertise as a means of proof in criminal proceedings. Bucharest;
- Ristea M., Dumitru C.G., 2006. Basics of accounting. Bucharest: University Publishing House.
- www.academia.edu/29004422/Suport\_curs\_contabilitate
- www.cafr.ro/pregatire-profesionala
- www.ccfiscali.ro > pregatire-profesionala
- www.ceccarbusinessmagazine.ro > revista-contabilitatea, expertiza și auditul afacerilor