

**THE ACCOUNTING PROFESSION IN THE DIGITAL ERA****Marius – Sorin CIUBOTARIU***Stefan cel Mare University of Suceava, 720229, Romania  
ciubotariumarius@yahoo.com***Abstract**

*In an economy based on globalization and digitalization, accounting professionals have understood that performance and competitiveness are conditioned by the way in which new information technologies are implemented and exploited within companies. The accounting profession in Romania has a future only insofar as it truly responds to the challenges and opportunities generated by the digital revolution. The objective of this article is to bring into discussion a number of issues regarding the accounting profession in an economy based on globalization and digitalization.*

**Key words:** *the professional accountin; digital era; globalization; new tasks.*

**JEL Classification:** *M41.*

**I. INTRODUCTION**

The accounting profession in Romania went through several stages, each step always bringing an extra that leads to the valorization of the information provided by the accounting system.

The professional accountant plays an essential role in the good management of a business, he being the one who, through his activity, legitimizes the profitability of the company. Over time, the accounting and implicitly the accounting profession has undergone fluctuations specific to a certain period, but always the return was a good one, emphasizing in this way its necessity.

At present, the accountant is no longer a mere recorder of accounting documents. Information technology is now doing this in its place. It has become an important element in the structure of the entity. An accountant knows how to accumulate the information necessary for a possible development, thus drawing up an entity strategy. The accountant has become the person who has the power to influence decisions at the level of the whole entity. Basically, there is no decision that does not use the information provided by the accountant. If this information is not in line with the economic events on the basis of which they were generated or are misunderstood, the outcome of the decisions will be far from the expected level (Badicu & Mihaila, 2016).

Regarding the evolution of the accounting profession in Romania and the contribution of the information technologies on it, it was observed that over time the accounting profession has undergone spectacular transformations due to the emergence and development of the technological environment that is increasingly taking over the economic field, therefore the accounting profession. The changes have generated a sustained activity of the accountants in the sense of reform, adding to these steps and the re-establishment, through governmental authority, of the professional body. Thus began a campaign to regain professional status, both of the accounting and of the accountants.

This trend of change is manifested in the field of accounting, "as a result of the high level of integration of economies and the expansion of activities in a global market, from the need to ensure a transparent, detailed and sufficiently extensive financial reporting, containing information and precise data, to comply with the expectations of the stakeholders" (Sova, Dobre & Popa, 2017).

Currently, in this globalized market, most companies with economic profile use, in order to keep the accounting records software ERP (Enterprise Resource Planning), the accounting professional thus orienting itself to data analysis and consulting. The development of these ERP systems came as a necessity to replace elementary and repetitive activities of data entry and processing, the reasoning being not one that is strictly necessary.

In Romania, at present, the subject of digitization is intensely discussed and solutions and resources are being sought for implementation and for a slight adaptation to this change. If in Romania this stage of digitization of the economy is in its infancy, in the developed countries of Europe the integration in the digital technology is something normal and often used (Bîrsan, 2019).

Thus, according to a study conducted by the European Commission, at European level, Romania has the lowest degree of integration in digital technology, followed by Bulgaria, and Denmark is the leader of the ranking, followed by Ireland. This situation of integration in digital technology with reference to eCommerce and business digitization is shown in Figure 1:

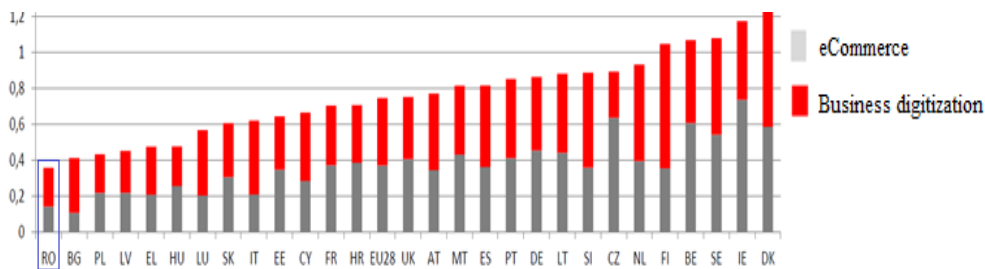


Figure 1 – Integration in digital technology at European level  
Source: European Commission, 2017

If, regarding the integration in digital technology, Romania is in the last place, the same thing happens with regard to the digital intensity index. This is an index that measures the availability at the company level of 12 different digital technologies: the internet for at least 50% of the employees, fast broadband, the call to IT specialists, mobile internet devices for at least 20% of the employees, a website, a website with sophisticated functions, online advertising, social networks, sending electronic invoices, purchasing advanced cloud computing services, "e-commerce turnover accounting for over 1% of total turnover and B2C web sales to over 10% of total web sales" (European Commission, 2017). The value of the index ranges from 0 to 12 as can be seen in Figure 2.

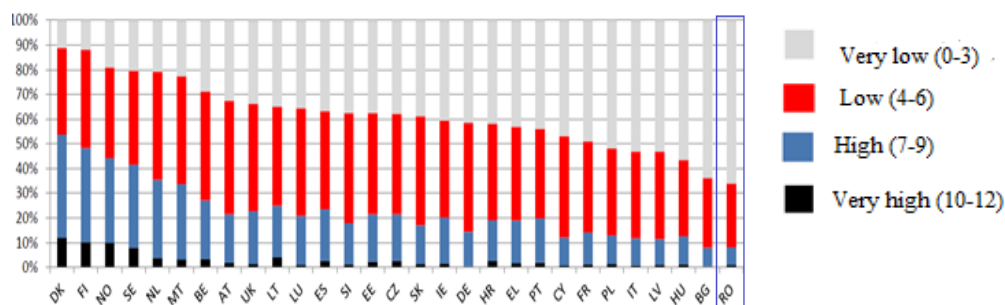


Figure 2 – Digital intensity index at European level  
Source: European Commission, 2017

Looking at these statistics, Romania is the country with the lowest index, being characterized by the fact that most companies have not invested in digital technologies, and only a simple website and a computer network. At the opposite end, countries such as Denmark or Finland are highly digitized, thus registering a very high gap between the poles of the ranking.

I believe that these statistics are also affecting the level of the accounting profession, the digital accounting being difficult to assimilate in our country because the digital education is lacking within the companies and it is consuming time and resources. However, in the near future, in order to meet the new requirements in the financial-accounting field at EU level, I believe that the Romanian accounting professionals will try to adopt new technologies and to focus more on the consulting and the quality of the information provided to third parties.

## II. THE IMPACT OF DIGITALIZATION ON THE ACCOUNTING PROFESSION

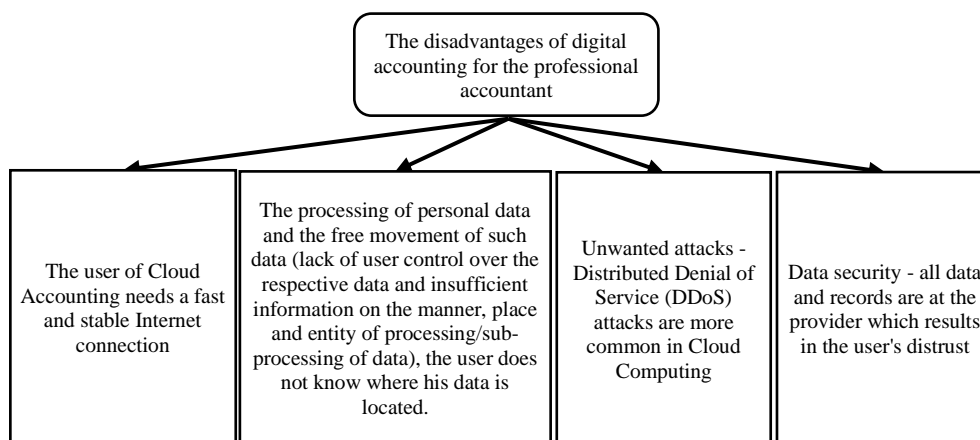
The accounting profession and accountability have long been a big responsibility in the process of capital hiring. The profitability of a business, the goodness of the company and the credibility of the partner are legitimate through the results offered by accounting. "Due to this formalized language of communication, there has been an essential mutation in the business world: the transition from empiricism to rigor, from arbitrary appraisals to economic truth and faithful image" (Mihalciuc, 2006).

Artificial intelligence is spread over all areas of activity with a high impact on the financial-accounting field. The advantages brought by the new digital technologies (ERP, EDI, Cloud systems) used to keep the accounting records for the accounting professionals are the following (see <https://www.ccstechnologygroup.com/>):

- Data processing is no longer traditional, these activities being considerably reduced by concentrating or even eliminating some of them. The role of the accountant will only be to obtain summary documents and other reports specific to the field and in the near future, probably through other more advanced technologies, and these will be eliminated, the accounting professional having the role to make the final decision.

- Dematerialization of the medium takes place, dematerialization on which the accounting records are made, in order to eliminate the paper support and automatically retrieve the data for the accounting articles directly from the electronic documents. This form of processing eliminates the counting of accounting documents, in the classical form (Radu, 2006).
- The circuit of primary documents is different and stages like some checks, notice or approval are eliminated. Thus, the attention is directed to control, legislation and financial-accounting audit.
- The archiving of the documents will be virtual and the file deletion will be waived. The notion of document and registration is redefined, creating professions as record manager and electronic archives librarian. Cloud technology in this case can help enormously, as the amounts of information needed for archiving can be stored on external servers.
- In the case of Cloud systems, the user can quickly and easily change the storage capacity and pay according to the consumption, having no expenses related to the operation and configuration of the computer systems.
- "The user can access his data and use the programs when he needs using a device (laptop, tablet, computer, smartphone) connected to the internet and it is also simplified to synchronize the data for a user who uses several devices connected to the Cloud" (Dumitrache, 2014).
- With the help of information systems, the emphasis is on strong integration, because "the financial-accounting systems are obliged to be part of an integrated system of applications within the companies that use the EDI system, if they wish to benefit from its advantages." Thus, the financial-quotable information system cannot be regarded as an element that breaks apart from the other functional elements of the system it is part of, but as an integrated part of a set of components that are sometimes inseparable (Radu, 2006).

Accounting has become "an art of ensuring the success of a company only if it knows how to use the means (information technology) to obtain and manipulate information, through which any heritage unit can produce maximum profit with minimal effort." (Ionescu, Prichici & Tudoran, 2014) However, the technology within the financial-accounting system also presents a number of disadvantages. The disadvantages brought to the professional accountant by digital accounting are mainly due to the Cloud Accounting system and refer to the following aspects presented in Figure 3:



**Figure 3 –Disadvantages of digital accounting**  
Source: Adaptated after Dumitrache, 2014: 45

With the development of digital accounting, some functions of the accountant have disappeared, and he has had to give up some of the tasks he had and which have been replaced by increasingly advanced systems. Thus, the accountant or the professional accountant needed and still needs to adapt to these changes and learn how these systems work, how to collect information and how to present it to third parties.

Therefore, there is a transformation of traditional accounting into a digital one, to which the accounting professional must constantly adapt and for which he must consume time, energy and resources for preparation.

### III. PRESENT AND PERSPECTIVES REGARDING THE ACCOUNTING PROFESSION

The role of the accountants has advanced along with the evolution of the accounting, from the operations of recording the commercial exchanges, to the means of control and social stake. Throughout the time, "the delegation of the attributions regarding the production of the information that the accounting offers has created the

premises of the emergence of an accounting profession, of increasing importance, and aimed at legitimizing the information released by the companies.

Liberal professions must be understood as independent, non-commercial, foreign professions of any speculative spirit, set up in order, bodies, companies or chambers, with self-regulatory and disciplinary components, socially recognized by promoting their own norms for executing the missions given to them in responsibility" (Mihalciuc, 2006), but also rules of professional deontology and ethics.

Therefore, as provided in "Law no. 162/2017 of July 6<sup>th</sup>, 2017 regarding the statutory audit of the annual financial statements and the consolidated annual financial statements and of amending some normative acts", the current activities carried out by the accounting professionals are (Brace, 2018):

- Organizes, maintains, manages, supervises and checks the accounting, is responsible for the preparation and signing of the financial statements, as well as the fiscal requirements, i.e. the calculation of taxes, contributions and taxes, the preparation and filing of tax returns and the representation of the client before the tax authorities.
- Provides specialized consulting to clients regarding the organization and maintenance of accounting.
- Performs economic-financial analyses and evaluations for financial-accounting purposes that do not materialize in an evaluation report prepared according to the evaluation standards adopted by the National Association of Authorized Evaluators of Romania (ANEVAR).
- Performs financial-accounting expertise, including financial-accounting expertise with fiscal component, disposed of by judicial bodies or requested by natural or legal persons under the conditions provided by law and CECCAR regulations. (Law no. 162/2017, Title IV, art. 6).
- Performs other services such as payroll, electronic personnel records, administrative and IT organization, certification of information, documents and data.
- Fulfills, in accordance with the legal provisions, the duties stipulated in the mandate of the auditor and the financial agent.
- Provides the specialized assistance needed to set up and reorganize companies
- Ensures financial accounting and economic performance management.
- Ensures internal control of management and risk management of legal entities.
- Provides consulting in financial management and accounting, provides services characteristic of integrated management accounting and reporting (see [www.ac.com.ro](http://www.ac.com.ro)).

The accounting profession at present is a profession that stores a whole arsenal of instruments that contribute to the smooth running of the economy, which is the one that, through the activity and the decisions taken, has the possibility to give a more correct direction to the business environment, even if it is not fully recognized this ability.

In the past, if you were thinking about the accounting profession, you were thinking of that person "buried" in the papers, but with the advent of technology, things have been much simplified. Therefore, the trend is one of optimization of the activity of the accounting professional and in the future it is expected that the current activities (presented above) will be further simplified, thus supporting it.

In Romania, accounting has evolved so much that obtaining the quality of accounting expert or that of an authorized accountant is not enough to keep up with the evolution of the international accounting profession. Due to the dynamics of changes in the international accounting field, the accounting expert must always be trained "in a continuous training program not imposed but self-imposed. Speaking of the process of globalization, we are aware that we will enter this process also in the accounting field" (Neag, 2010).

We know all too well that in order to prepare for the future we need to train competent people today who will be able to meet the challenges of tomorrow. The future of the profession is represented by young people preparing for the profession of accountant. "They must be aware of the basic characteristics of a good accountant such as integrity and objectivity. To be a professional, impose the typical respect for the profession, you must be absolutely honest and ethical in everything you do. This refers to both professional and personal life" (Badiu, 2012).

Young people in training, as well as people working in the field of accounting, need a "digital education" in order to be prepared for the new challenges of technology. Therefore, digital skills need to be developed and schools must also be supported in that they need to have access to high-speed connections and have tools available to help young people learn in a digital environment. With this "digital education" we also need an education in "cybernetic hygiene" because, once digitized, we need to know how to protect the information ([www.ceccarbusinessmagazine.ro](http://www.ceccarbusinessmagazine.ro)).

The professional accountant must deepen some knowledge, orientate and prepare for new tasks, such as (Jui & Wong, 2013):

- More consulting provided to clients, whether we are talking about the one in the economic field, in general, about taxation or about the specific activity of a company;

- The professional accountant should always be in continuous learning and deepen all the ideas that come with digital accounting and also learn how to protect his data;
- Interpreting the data offered by digital accounting will be very important and the accounting professional will need to know how to choose the most efficient solution and how to make forecasts;
- The accounting professional should also be oriented towards other services, such as: data analysis, controlling services or accounting services offered from a distance without interacting directly with the client;
- Because taxation plays an essential role in the economic activity of a company, the professional accountant is one of the people who can be a fiscal intermediary and who can get involved in tax planning through proposals on improving the legislation and by offering solutions that simplify the process of declaration and payment of tax obligations;
- Improve the relationship with customers, meaning investments in better communication;
- The accounting professional can move to new functions, such as those in the IT field, because in order for a digital information system to be as efficient in the economic field, it is necessary for people who have good knowledge in the accounting field and with this also in the security of financial-accounting information (Cosmulese, 2019).

The challenges of the accounting profession given by the perception gap are "influenced by the changes of generations and by the general changes in the society. Today, everything is related to emotions, passion. The present and the future are influenced by the changes and the way people relate to work and personal life" (Badiu, 2012).

#### IV. CONCLUSION

In Romania, the real contribution of the accountants and the accounting to the proper functioning of the capital markets, as well as the company, is still little known, through the integrity, transparency and accessibility of the financial information, facilitating the building of trust between investors and the management of the companies in which they invest, between citizens and governors entrusted with the administration of the country's resources.

Sometimes the accounting professional is regarded in society as an individual who has a rather narrow and passive role to reflect the economic operations of an organization, but it contributes to the creation of value in organizations and communities and to economic stability, having a special role in the initial and continuous education of the young generation of professional accountants.

In order to adapt to digital transformation, an accountant must improve his data analysis skills, take advantage of the technology to avoid repetitive manual tasks, focus on innovation and change management, and develop strategic management skills.

Therefore, the digitization of the accounting profession is characterized by both advantages and disadvantages and most importantly, it represents a challenge for the accounting professional, who must be prepared for some future activities, such as consulting, controlling services, analysis, to be prepared for the IT field and to invest in communication with clients. In this sense, organizations should prepare their employees for this future of technology and offer them a digital education, such as: organizing specialized courses in technology and how to apply it in their work; to focus on the acquisition by the employees of the technological skills (knowledge); to encourage and support (financially and morally) employees to adopt different working techniques as well as new digital technologies; to provide support for digital technology and security.

The vision of the professionals is different depending on the level of the organization in which they work and depending on the attributions they have, important for this opening to a new digital age being the access to information of this type that can create new visions regarding the future of the profession accounting. In fact, people with more training have more information about new digital technologies and are confident, however, that their role will not be taken over by computer systems.

Accounting professionals who will adapt to new technologies and use more efficiently the new working tools in the financial-accounting field will play an important role in managing the systems and processes that support the acquisition, management, analysis and distribution of information. Therefore, the accounting profession must combine technical skills with social, human skills. If they are successfully combined, then the accounting profession will have a beautiful future.

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