

STUDY ON THE APPLICATION OF CREATIVE ACCOUNTING TECHNIQUES**Prof. PhD Elena HLACIUC***Stefan cel Mare University of Suceava, 720229, Romania
elena.hlaciuc@usm.ro***Abstract**

The aim of this paper is to review the main theoretical aspects of the "concept of creative accounting" and its specific techniques, as well as to draw an overview of the vision of "accounting experts and financial auditors" in relation to some aspects of this side of accounting in Botoșani County and trying to find or propose remedies that would restrict the evolution and application of "innovative accounting". The results of our research allows us to note that most "accounting experts" have a positive view of the concept of "creative accounting" and most "financial auditors" do not embrace this approach.

Keywords: *creative accounting; fraud; creative accounting techniques; distortion*

JEL Classification: *M40*

I. INTRODUCTION

Even if it is known that the impetus that is the foundation of any economic activity is the desire to earn, practice also shows that there are situations in which the interests of decision makers are aimed at reducing profits, obviously in order to reduce profits due to the state. Thus, the professional accountant plays an important role in obtaining favorable financial statements especially the interests of those in charge, being often put to disguise, to beautify the true image of the entity, thus obtaining a beautifully packaged product but with questionable information content.

The significance of the information regarding the substantiation of the decisions is amplified by the whole globalization as well as by the plurivalence of the economic environment. The complex of fluctuations in taxation and accounting in terms of the legislative framework, have made possible the emergence of ways of describing economic information that more or less clearly show the real situation of an enterprise. To this challenge, the accountant has to see without delay the possibility of adapting to the ever-fluctuating information requirements, perhaps even without adding normalization, thus creating the need for innovation, creativity in finding the means and treatments to enhance the picture of entities, without being in contradiction with the legislator, using professional ethics and deontology.

The multitude of risks related to the economic environment, in which the entities are forced to carry out their various activities, make it difficult to quantify with certainty many elements specific to the financial statements, which can only be estimated. In this table, the "concept of creative accounting" is increasingly gaining ground in terms of a practice of shaping accounting sources insofar as it is within the limits imposed by the regulatory framework, using different versions of options or accounting treatments or valuations in order to materialize the intended objectives, with the risk of distorting them. In the opposite direction, respectively contrary to the legal norms, one enters the sphere of illicit accounting or financial-accounting embezzlement.

Following the research of the literature in the field, it can be easily deduced that a consecrated definition of this notion has not been established, there are many approaches designed to provide the researcher with both a delimitation of generally accepted features and highlighting some dichotomous views. This duality makes this issue very "controversial in the literature", precisely because of the "ethical nature in which the professional accountant is placed" in the position of using "creative accounting" techniques.

The aim of the paper is to review the main theoretical aspects of the "concept of creative accounting" and its specific techniques, as well as to draw an overview of the vision of "accounting experts and financial auditors" in relation to some aspects of this aspect of accounting from Botoșani county and trying to find or propose remedies that would restrict the evolution and application of "innovative accounting".

This research combines both numerical and value study (quantitative), using numerous sources of information composed of books, laws, research and articles published nationally and internationally. The quantitative study in the form of a survey was developed to meet the central objective of this paper, using a questionnaire. Thus, in order to paint an overview of the practices of CA locally, we selected two "target classes", respectively "accounting experts members of the CECCAR branch" Botoșani and "financial auditors members of the CAFR branch" Botoșani. The research area in order to materialize the study consisted of a sample of 76 professionals, and the questionnaire involved a number of 10 questions with predefined answers with a unique option to argue, being sent electronically or validated following telephone conversations. The answers were systematized and illustrated by means of relevant graphs. The questions concerned the experience of the respondents, their vision on the debated topic, the degree of application of the practices

and related impulses, the constraints and the numerous CAT, as well as their appreciation on the attributions of the “professional and regulatory structures” accounting in the CAT combat mission.

The results of our research allow us to note that most "accounting experts" have a positive view of the concept of "creative accounting", and most "financial auditors" do not embrace this approach.

Most respondents have significant professional experience, which explains to some extent that more than half of the accounting experts believe that the specific engineers of C.A. they can be a real help to the entities when the delimitations of the law are not exceeded, but in practice, the study shows that in Botoșani county most of them claim that they have not faced situations in which to use the techniques related to it. Those who, however, made use of CAT, declare that they were under pressure from those in charge, an aspect also confirmed by the answers of the financial auditors, the main impulses being those with fiscal implications.

In connection with creative accounting techniques, the study shows that in Botoșani County they are not very varied, the most commonly used being the modification and adaptation of various parameters of the depreciation policy as well as overestimation or underestimation of profit. We also note that, although 40.98% of the accounting experts stated that they applied creative accounting in practice, most respondents consider that the role of "professional and regulatory accounting structures" in combating CAT is very important, in instead, they consider that "financial auditors" have no obligation to identify these practices.

The objectives monitored during the elaboration of this paper aim at the following aspects presented through Figure 1.

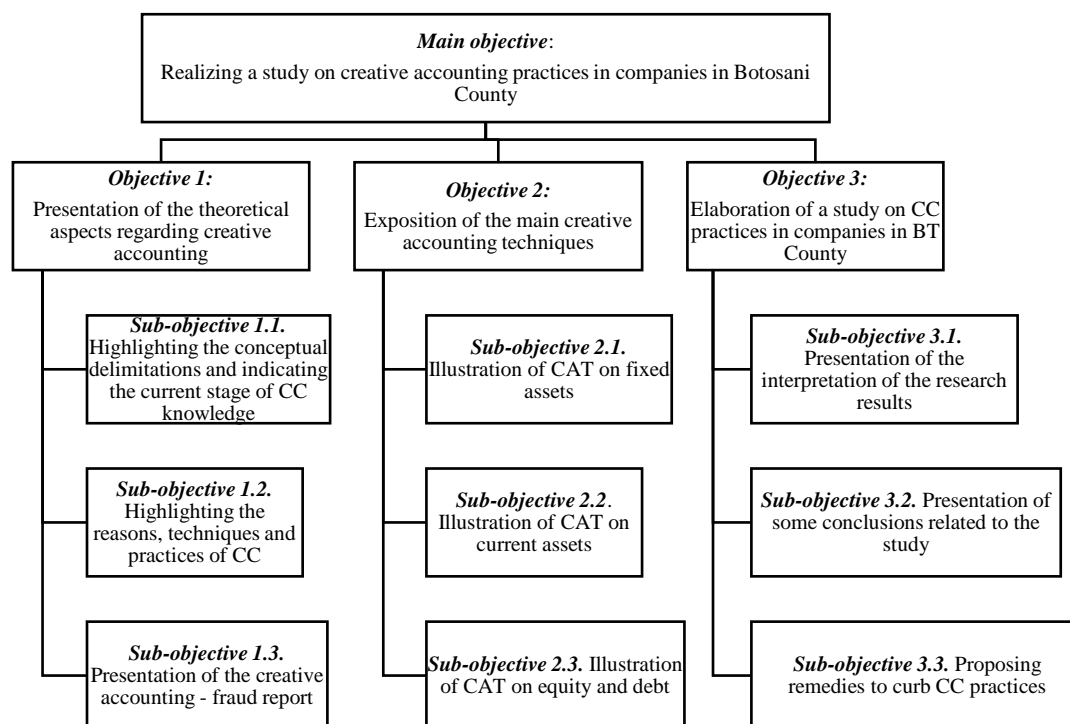


Figure 1 - Objectives related to the dissertation

Source: Own processing

II. MOTIVATION, IMPORTANCE AND METHODOLOGY OF RESEARCH

Motivation for choosing the theme

In order to elaborate the dissertation, I approached a concept as captivating as it is contested among scientists, namely, creative accounting. Thus, the topic is entitled "Study on creative accounting based on a questionnaire applied to professional accountants in Botosani County", in the structure of which we aimed to highlight the most important theoretical aspects, to illustrate the main techniques of creative accounting and to develop a study on the vision of professional accountants and financial auditors on the concept and practices of creative accounting in Botosani County. The impetus that was the foundation for choosing this topic, is the interest outlined in connection with this controversial topic and very complicated to control in the economic environment in a continuous metamorphosis. Another argument in this regard is the imperceptible transition from legal to illegal, which often creates ethical dilemmas for supporters of the accounting profession.

Importance of the selected topic

The multitude of risks related to the economic environment, in which the entities are forced to carry out their various activities, make it difficult to quantify with certainty many elements specific to the financial statements, which can only be estimated. In this table, the concept of creative accounting is increasingly gaining ground in terms of a practice of shaping accounting sources insofar as it is within the limits imposed by the regulatory framework, using different versions of accounting options or treatments or evaluations in order to materialize the intended objectives, with the risk of distorting them.

The importance of the approached subject derives from the very role of the professional accountant, in obtaining favorable financial statements especially to the interests of those in charge, being often put to disguise, to beautify the true image of the entity, thus obtaining a beautifully packaged product but with informative content.

Treating such a topic of analysis, we consider that it arouses curiosity and interest of a wide range of users of financial-accounting data, precisely through the contested nature and dissensions of opinions encountered in "both nationally and internationally" specialized works.

Research methodology

The central objective of the research is to conduct a study on "innovative accounting" practices based on a questionnaire applied to professional accountants in Botosani County, and in the meantime highlighting certain conceptual aspects related to this side and specific essential techniques, exemplified by some illustrative applications. A "fundamental methodology" was applied for this purpose.

In order to fulfill the secondary objectives aiming at demarcating the phenomenon of "creative accounting", "inductive and deductive reasoning" procedures were used and the antithetical investigation of the different approaches related to the national and international directives, respectively. Also, during the paper, various means specific to the analysis were used, such as: examination, synthesis, confrontation, reasoning and rethinking.

This research combines both numerical and value study (quantitative), using numerous sources of information composed of books, laws, research and articles published nationally and internationally. The quantitative study in the form of a survey was developed to meet the central objective of this paper, using a questionnaire. Thus, to give us an overview of the practices of CA locally, we selected two "target classes", respectively "accounting experts members of the CECCAR branch" Botoșani and "financial auditors members of the CAFR branch" Botoșani. The research area in order to materialize the study consisted of a sample of 76 professionals, and the questionnaire involved a number of questions with predefined answers with a unique option to argue, being sent electronically or validated following telephone conversations. The answers were systematized and illustrated by means of relevant graphs.

The questions concerned the respondents' experience, their vision on the debated topic, the degree of application of the related practices and impulses, the constraints and the numerous CAT, as well as their appreciation on the attributions of the "professional and regulatory structures" accounting in the CAT combat mission.

The stages established during the scientific study are highlighted in Table 1:

Table 1 - Stages of scientific research

| No. | Research stages | Explanations |
|-----|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Highlighting the field of research | Accounting - Taxation |
| 2. | Identifying the research topic | "Study on creative accounting based on a questionnaire applied to professional accountants in Botosani County" |
| 3. | Issuing the research plan: | Studying the theoretical aspects regarding creative accounting, its main specific techniques and conducting a study on creative accounting in Botoșani County. |
| 4. | Determining how to conduct research | Study the creative accounting firms in Botosani County. |
| 5. | Collection of data and information | Data processing regarding the theoretical aspects of creative accounting, the main creative accounting engineers, the answers related to the questionnaire and the regulations in force. |
| 6. | Investigating information | Explain in your own way the main aspects related to CA, illustrate by applying algorithms for calculating examples of CAT and systematize and analyze the information obtained from the application of the questionnaire by developing representative graphs and present final conclusions on the topic presented . |
| 7. | Presentation of research results | Explaining the effects (results) of the study and proposing remedies to curb creative accounting. |

Source: Own processing

III. CONCEPTUAL DELIMITATIONS AND THE CURRENT STATE OF KNOWLEDGE

Over time, approached as an art, creative accounting has known various phrases with which it has been called, namely: "the art of falsifying and rigging a balance sheet" (Bertolus, 1988), "the art of calculating benefits", (Lignon, 1989) "the art of presenting a balance sheet" (Gounin, 1991) or "the art of creating provisions" (Pourquery, 1991).

Following the research of the literature in the field, it can be easily deduced that a consecrated definition of this notion has not been established, there are many approaches designed to provide the researcher with both a delimitation of generally accepted features and highlighting some dichotomous views. This duality makes this issue very contentious at the level of published works, precisely because of the confusion with moral connotations in which the "professional accountant" is in the position to use creative accounting techniques. In other words, this practice can be viewed from two angles in antithesis. Of course, the negative perspective brings fraud into question, and this "unlike creative accounting, involves violating the law consciously and intentionally" (Knežević, Mizdraković & Arežina, 2012).

According to the literature, the first association of the words creativity and accounting dates back to the 1950s as belonging to the authors Park (1958) and Bows (1959). But the first approach belongs to the Argenti (1973) who attributes an unfavorable significance to this concept as it is used in the analysis of the triggers of business failure and as a pre-crisis constituent. Thus, he believes that, "Creative accounting is a deliberate policy used by managers in order to deceive shareholders, creditors and themselves about the assets and progress of a company in general and its financial difficulties in particular" (Argenti, 1976).

In the following we will present some notional approaches encountered in both foreign and domestic literature. Thus, Trotman (1993) states in his paper that, "creative accounting is a communication technique aimed at improving the information provided to investors".

From another perspective, "creative accounting can be understood as the process by which management uses certain deficiencies or ambiguities in the accounting rules, in order to present a certain picture of financial performance" (Shah, 1988).

In another sense, "creative accounting can be defined as a set of procedures aimed at either changing the level of the result, in order to maximize or minimize it, or presenting the financial statements, without the two being mutually exclusive. Accounting options have always been available to the accountant and they do not involve creativity in the strict negative sense of the word" (Stolowy, 2000).

Colasse (1996) argues that this concept refers to "accounting information practices, often at the limit of legality, practiced by certain companies that, taking advantage of normalization, seek to beautify the image of the financial situation and economic and financial performance." Mulford and Comisky (2002) describe creative accounting as "any step and any step taken in the accounting game, including aggressive choices and applications of accounting principles that fall or exceed the limits of generally accepted accounting principles and fraudulent financial reporting".

As this notion is well illustrated or rather practiced in doctrinal writings, we can say that its source was an inescapable fact in the economic climate, which has its origin with the advent of accounting and regulation, being generated by supporters of this field, of course. you may be under various constraints or perhaps even out of a desire to demonstrate certain qualities or to shed light on a vast experience. We believe that this ability to manipulate the figures in the synthesis documents, can come to life only under the pen of the professional, able to juggle the legislation in force, so that it can translate into real environment any interest or goal set by the management of any entity. We are eminently opposed to usurping any normative and obvious act against violating the boundary between legal and illegal, moral and immoral, so we believe that above the imaginative, innovative side of each individual as a human being, must be placed in place of honor in the profession of each accounting, ethics and deontology of the accounting profession.

In the view of other specialists, this notion designates "the set of techniques, options and freedoms left by accounting regulations, without neglecting the law or accounting requirements, allowing managers to change the financial result or financial statements; others see creative accounting as a set of procedures that are used to change profit, increase or decrease its value, or misrepresent financial statements or even both" (Balaciu & Pop 2008).

From the exposition of the previous notions, it follows the idea according to which although the differences of opinion are obvious, in the sense of the connotation given to this concept, namely the one of negative or positive practice, most followers of this field admit that, in the end, it is highlighted. through two configurations:

- On the one hand, the concept involves the imaginative process of the professional, in order to translate the new legal, economic and financial aspects;
- And from another angle, the set of results disguised and camouflaged under a perfectly attractive and advantageous image, which are the subject of this financial engineer, are put in the palpable plan depending on the influence it has on the balance sheet and the company's results.

In the doctrinaire works, we can observe a prevalence of the unfavorable acceptance regarding CA, in the sense of its application with the role of disorienting and deceiving the external users of the synthesis documents. In this sense, Griffiths (1995) believes that "any company truncates its profits. The published summary documents are drawn up on the basis of registers which have been arranged in a delicate manner, sometimes even chopped up. The figures presented to investors were entirely manipulated in order to protect the guilty (managers)". And on the other hand, some authors urge us not to associate CA with something defamatory and negative, in the sense that the accounting changes also have their purpose in the permanent adaptation to the changes of the business environment. Thus, Malb and Giot (1995) state that "at its origin, creative accounting is virtuous: it provides accounting with the means to keep up with the growing development of markets and the proliferation of financial products. The problem stems from the fact that the instinctive perversity of business people is beginning to manifest itself quickly".

At national level, the first work with content on various issues related to creative accounting, was printed by Feleaga (1996), which illustrates some aspects related to the proportions and boundaries of this concept, being of the opinion that it emphasizes the increase of the economic burdens we face. He brings to our attention aspects such as engineers and practices specific to this process, but also the dangers of its expansion in the accounting environment.

The author of "Creative Accounting", Malciu (1999) in addition to some notions mentioned by the previous professor in his paper, improves the level of knowledge through some vision of innovative accounting policies, framing this concept between corruption and perfecting techniques using the imaginative process, and in the the latter summons the researcher to a succession of thoughts related to a possible "reconciliation" of accounting with creativity.

These two specialists, Feleaga and Malciu (2002), in their paper published in 2002 analyze issues related to the creation and substantiation of accounting policies in the area of cordial versus unfair accounting, and in the next part of the work, they expose some conceptual and stimulating issues regarding the source and the proliferation of CA practices, their landmarks, but also directions in understanding ethics and the means of eliminating them.

Diaconu (2004) in his paper published in 2004, talks about the ways to increase the performance of the entities' activity, debating the phenomenon of CA "Most of the indicators based on which managers' salaries are calculated are based on the annual accounts of the company they run. Therefore, managers will always be interested in exerting pressure on those indicators, so as to get closer to the value provided for a substantial bonus".

In the paper "Corporate governance, an indispensable lever for the policy of maximizing shareholder wealth and its contemporary complements", the authors, Feleagă and Feleagă (2006), address a set of questions regarding the relevance of CA respectively, how and why does innovation develop shareholders and managers? Or what mirrors the variety of accounting choices? they are of the opinion that "these practices are all the more disturbing as, according to the financial theory, if the accounting choices do not affect the company's cash flows, they do not affect its value. Through this, the level of the result can vary as much as the managers want, the effect being only the beautification of the accounts".

Groșanu and Răchișan (2010) "illustrates a series of difficulties of the audit profession in restricting unfavorable practices and techniques of the phenomenon of creative accounting".

Vladu and Groșanu (2011) "elaborate an empirical study that presents the phenomenon of creative accounting in the Romanian accounting environment using as a reference the opinion of professional accountants, financial auditors, representatives of accounting regulators and professional bodies".

Another important contribution in this direction belongs to the author Groșanu through his work "Creative Accounting", which helps the researcher, through various empirical studies, making him penetrate and cement notions related to this concept, as well as the impact on the environment. business. Also, another empirical research is offered to us by Faragalla, who through his dedication conducts surveys on the understanding of professionals in the field, regarding the use of innovative accounting engineering. Balciu also comes with a contribution in this area highlighting various topics related to "professional reasoning" and ethics.

Cotleț (2017) exposes a set of means through which "external users of financial-accounting information could evade the benefits of creative accounting". Vajda (2018) also contributes to research in the field of creative accounting by debating a number of objectives, factors and potential effects of it in the context of committing fraud and tax evasion".

Gința (2019) considers that the use of "creative accounting is a result of the flexibility allowed by current accounting regulations, which, if used in good faith, helps to give a true picture of the financial situation and performance of companies".

IV. STUDY ON CREATIVE ACCOUNTING PRACTICES IN COMPANIES IN BOTOSANI COUNTY

Analysis of research results

The multitude of risks related to the economic environment, in which the entities are forced to carry out their various activities, make it difficult to quantify with certainty many elements specific to the financial statements, which can only be estimated. In this table, the "concept of creative accounting" is increasingly gaining ground in terms of a practice of shaping accounting sources insofar as it is within the limits imposed by the regulatory framework, using different versions of options or accounting treatments or valuations in order to materialize the intended objectives, with the risk of distorting them. In the opposite direction, respectively contrary to the legal norms, one enters the sphere of illicit accounting or financial-accounting embezzlement.

In order to fulfill the central objective of this paper, we conducted a quantitative research in the form of a survey, using a questionnaire. Thus, to give us an overview of the practices of CA locally, we selected two "target classes", respectively "accounting experts members of the CECCAR branch" Botoșani and "financial auditors members of the CAFR branch" Botoșani. The research area in order to materialize the study consisted of a sample of 76 professionals, and the questionnaire involved a number of questions with predefined answers with a unique option to argue, their result being systematized and illustrated through relevant graphs. The questions concerned the respondents' experience, their vision on the debated topic, the degree of application of the related practices and impulses, the constraints and the numerous CAT, as well as their appreciation on the attributions of the "professional and regulatory structures" accounting in the CAT combat mission.

The first question aimed to detect the level of experience of those interviewed in order to give us a rough picture of the degree of confrontation with the practices specific to this concept and comprehensibility on the phenomenon in question. The effects returned following the application of the questionnaire are presented through Figure 2.

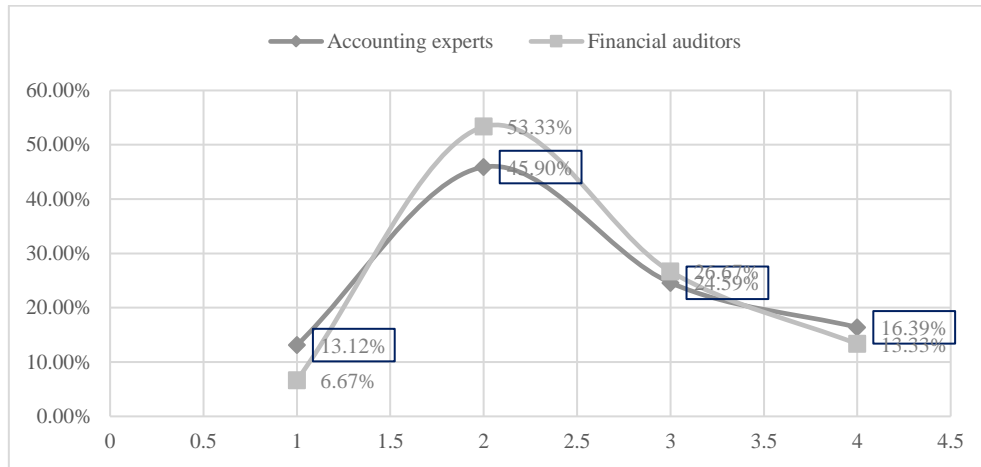


Figure 2 – Distribution of respondents regarding professional experience

Source: Own data processing

Following the processing of the information obtained in question 1, where the respondents were asked to opt for a time interval corresponding to their professional experience, we can note that most accounting experts and financial auditors have experience in the field between 10-20 years, respectively 45.90% and 53.33%, followed by those who fall in the range of 20-30 years.

The second question related to the questionnaire involved the selection of the variant that describes in an eloquent way, the approach shown by the respondent, in connection with the "concept of creative accounting", having the possibility to choose from two varieties, one referring to the positive and favorable side. the latter in relation to the negative aspects associated with this concept. The purpose of this question was the desire to form an opinion on the vision expressed by professional accountants in the county studied. The results obtained for this question are highlighted in the following graph, respectively the Figure 3.

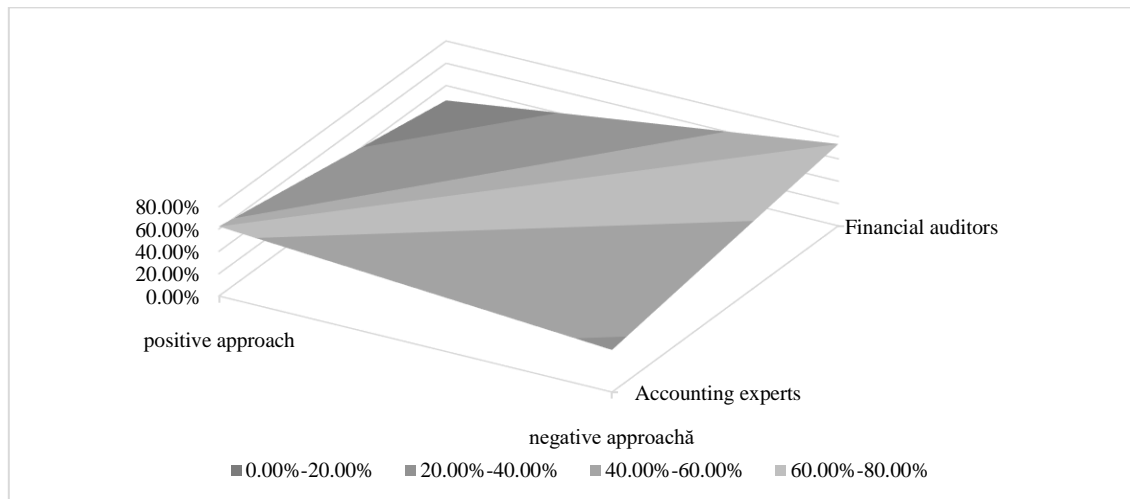


Figure 3 – Presentation of the vision on creative accounting

Source: Own data processing

Regarding the respondents' vision on the “concept of creative accounting”, we can observe “as illustrated in chart no. 2”, the fact that most financial auditors have a negative view of this practice, respectively 73.33%, considering that this is just an extremely fragile binder that directs the entity to future failures and even fraud and that its specific engineers can not be used in the presentation and presentation of the financial statements of an entity as this action is unethical, instead the accounting experts are of the opinion of 62.30% that, as long as we talk about the legal limits, it can be a tool within the reach of managers.

Question number three strengthens the previous one by its direct aspect, questioning the respondents regarding the possibility of using in the rendering and presentation of the economic profile of the entities the specific CA engineering. The results obtained after analyzing the answers are identical to those of the previous question as those who showed a permissive attitude towards this phenomenon were of the opinion that CAT can be used in rendering and exposing the economic profile of entities only under the auspices of the law.

The next question is intended to clarify and illustrate what are the local circumstances that could support companies if they choose to use these techniques. The Figure 4 helps us to form this image in a more explicit way.

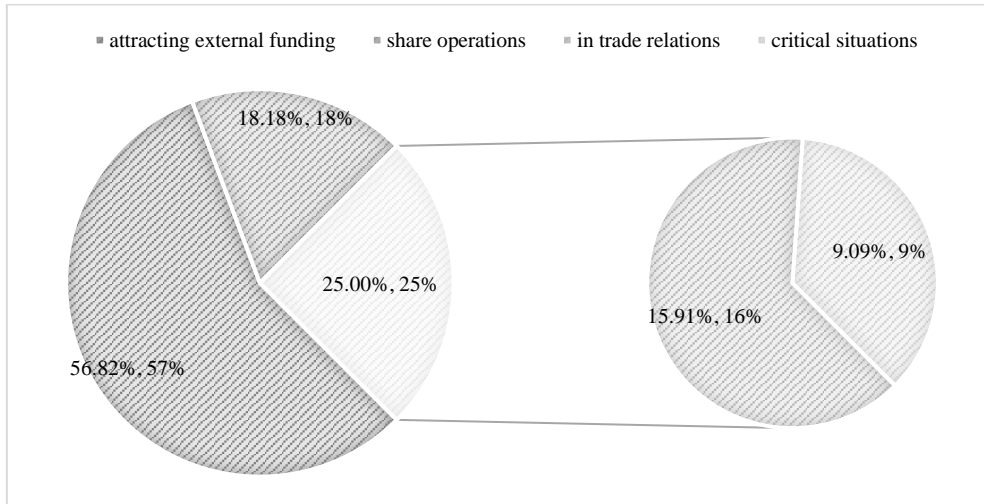


Figure 4 – Situations in which CA engineers can support companies

Source: Own data processing

Among the participants who adopted a positive manifestation towards creative accounting, 56.82% consider that the engineers related to this practice can be of real use to the entities when they want to obtain new financial resources, in the sense of overvaluing profit, but also in share operations. (18.18%) and in different trade relations, respectively 15.91%.

Question No. 5 is addressed in a direct manner precisely in order not to leave room for dodging, given that this subject can be considered very delicate, referring to the confirmation or refutation of the situations encountered in practice by the respondents in which they decided to use these practices or have identified such practices in their missions.

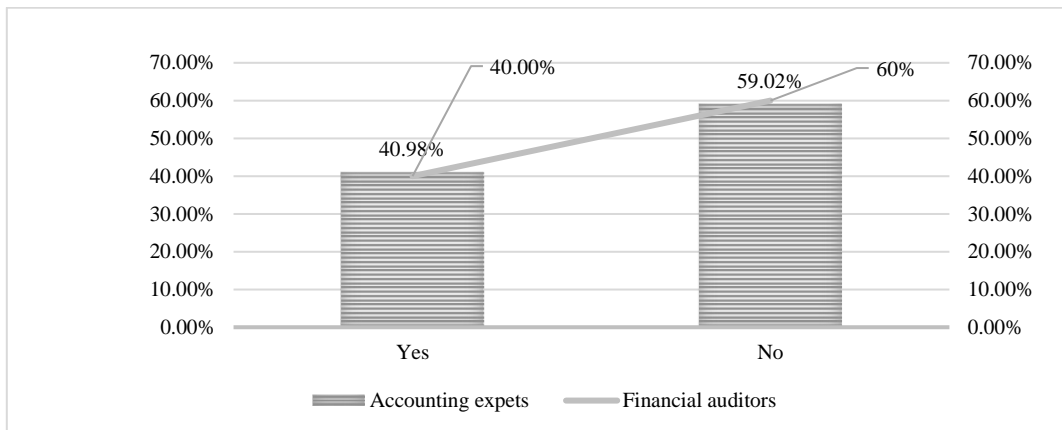


Figure 5 – Distribution of uses or CAT identifications

Source: Own data processing

After processing the answers related to the question with no. 5, shows that over 50% of the accounting experts who participated in this study did not use creative accounting techniques in accounting practice, and 60% of financial auditors did not identify in their missions such practices in Botosani County.

We can note from those presented up to this level that, although 62.30% of accounting experts have a favorable perception of this phenomenon, in practice 59.02% say they have not faced situations in which to use accounting specific engineering creative.

The sixth question aims to clarify the impetus behind these uses, in the sense that we were curious to find out whether they were applied on their own initiative or whether they constituted a constraint on the part of decision-makers.

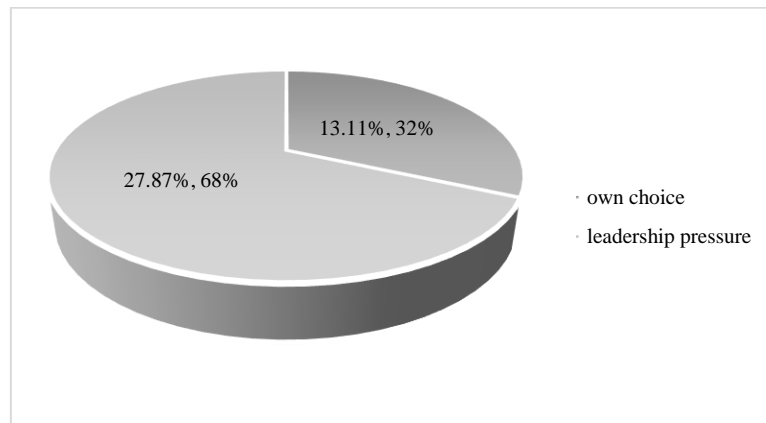


Figure 6 – Distribution of the foundation of the use of specific CA engineering
Source: Own data processing

Regarding the answers obtained to question no. 6 on the basis of the application of creative accounting techniques, it is noted that 40.98% of accounting experts who confirmed that they faced situations in which they chose to use these techniques, stated that 27.87% of them were under constraints exerted by those in charge and 13.11% claim that it was their choice. Also, the financial auditors who identified such practices in carrying out their missions, state that those who applied these engineers were also under pressure from managers.

If we have formed an opinion on the conditions in which these techniques are used in Botoșani County, the next question is meant to show us what are the most common impulses that underlie the use of these practices.

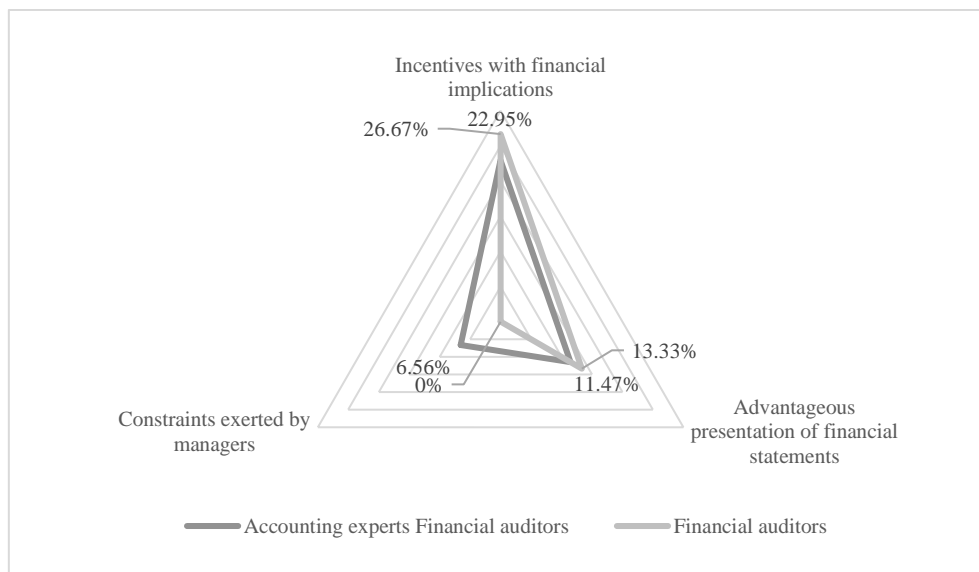


Figure 7 – The main reasons for respondents to use CAT
Source: Own processing of responses

Following the interpretation of the answers related to question no. 7 (see Figure 7), respectively which were the impulses of using creative accounting engineers, are distinguished among the accounting experts who used these techniques according to chart no. 8, that the main impetus is the one with fiscal implications, respectively obtaining favorable results for the entity, in the sense of decreasing the profit tax with consequences on the profit and loss account or in the sense of increasing it in order to attract new financial resources by 22.95%.

Another impetus refers to the presentation in an advantageous manner of the synthesis documents, respectively 11.47%, in the sense of erroneous capitalization of some expenses in order to overestimate the assets or to artificially increase some current assets while underestimating the obligations. The financial auditors support the same trajectory of the reasons found among those they identified, namely 26.67% said that the most common impulse is related to taxation.

And if we still found out what are the most common practices specific to this side through the following question we set out to find out

The next question aims to discover those creative accounting techniques that were applied by respondents during their career as experts in accounting, and in the case of financial auditors the disclosure of these practices identified during

the missions undertaken. Through the chart no. 9, we will illustrate which are the main creative accounting engineers applied by professional accountants in Botoșani County.

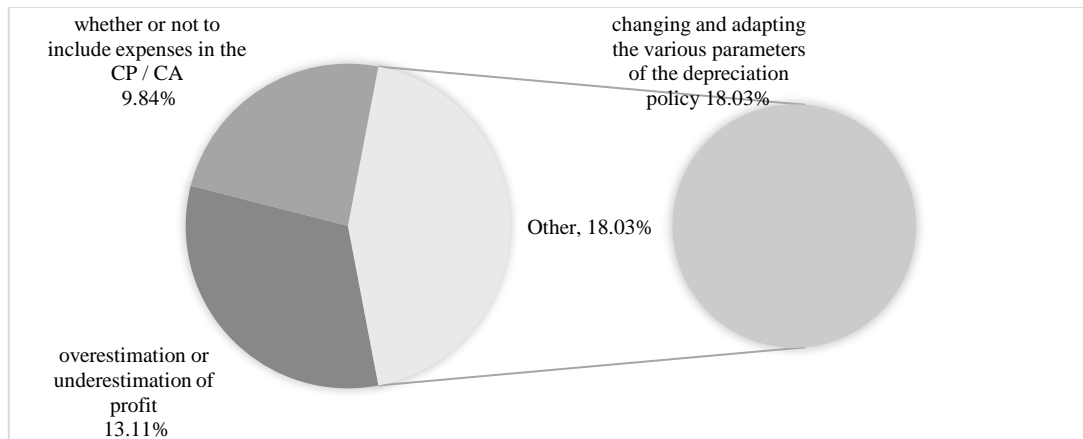


Figure 8 – The main CAT at the level of Botoșani county

Source: Own processing of responses

According to the information gathered and processed, as shown in the graph above, it can be noted that among the main creative accounting engineers among accounting experts is the change and adaptation of various parameters of the depreciation policy in the proportion of 18.03%, of there are also practices of underestimating or overestimating the profit (13.11%), but also the incorporation or not of some “expenses in the production cost”, respectively of acquisition, with a percentage of 9.84%.

Practices such as “lease back” transactions, anticipating the recording of income or delaying the finding of expenses and vice versa or those related to intangible assets, as well as others, were not found among the answers provided by our respondents.

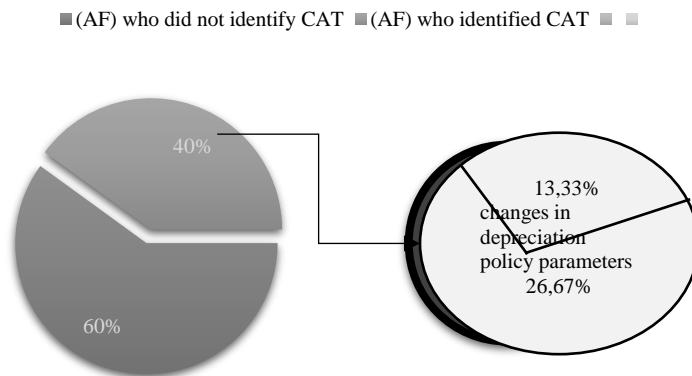


Figure 9 – CAT identified by the financial auditors at the level of BT county

Source: Own processing of responses

Regarding the financial audit, as highlighted in Figure 9 among those who identified creative accounting engineers, respectively 40%, 26.67% claim that they refer to the overestimation or underestimation of profit and 13.33% are related to the change and adaptation of various parameters of the depreciation policy. Following these notifications, we can say that in Botoșani County these engineers are not very varied, most are those with tax implications, in most cases they are used to reduce tax burdens and those related to depreciation policies no at least they are not perceived as account manipulation techniques.

To the question no. 9, in which the professionals were asked to show their appreciation towards the attributions of the professional and regulatory structures in the accounting field in the efforts to fight the creative accounting techniques, 83.61% of the accounting experts and 86.67% of the auditors financial institutions consider their role to be very important, as shown in Figure 10.

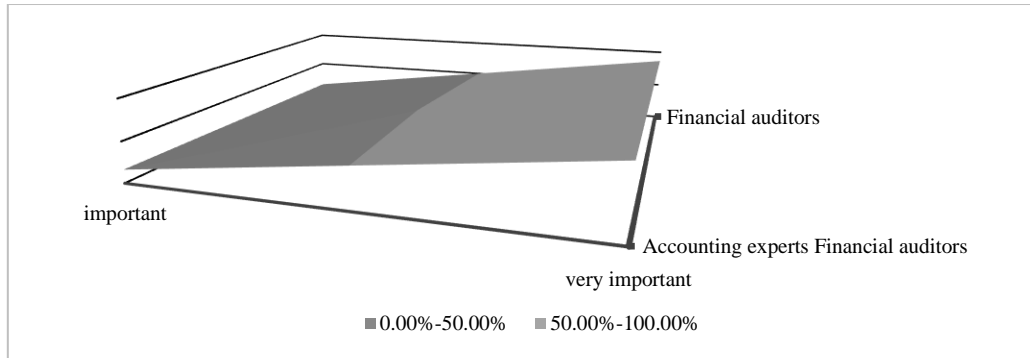


Figure 10 – Appreciation of the attributions of the professional and regulatory structures in combating CAT
Source: Own data processing

Regarding the last question, respectively: „How do you consider the duties of financial auditors in identifying the specific engineering of creative accounting?“, following the systematization of the answers to the questionnaire, it turns out that accounting experts believe that their role in it is insignificant, respectively 57.38% and 26.23% consider that their attributions in this respect are insignificant (see Figure 11).

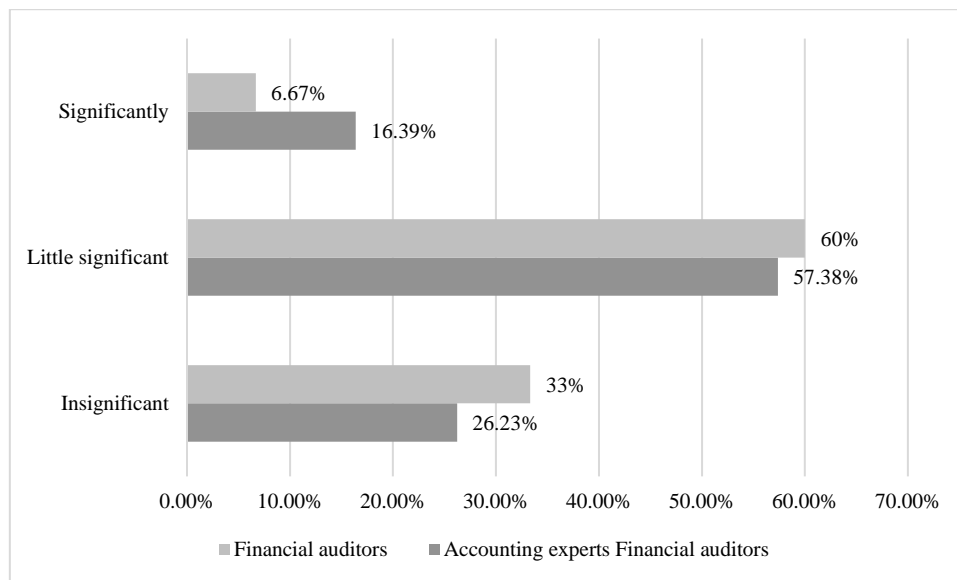


Figure 11 – Assessment of AF attributions in detecting CAT
Source: Own data processing

The financial auditors agree with a percentage of 60%, they emphasize that their main task is to verify the compliance of accounting records with the legislation in force and not necessarily their ethical character.

Results and Discussions

- Following the research on creative accounting practices in Botoșani County, we can say that most accounting experts have a positive view of the concept of creative accounting, and most financial auditors do not embrace this approach.
- Most respondents have a professional experience of 10-20 years, which explains to some extent that over 50% of accounting experts believe that specific engineers CA they can be a real help to the entities when the delimitations of the law are not exceeded.
- It is noteworthy that although a significant percentage of accounting experts have a permissive attitude towards creative accounting and its techniques, in practice, about 60% of them said they did not face situations in which to use its techniques.
- Most of those who made use of these techniques, state that they were under pressure from management, which was also confirmed by the answers of the financial auditors, the main incentives being those with fiscal implications.
- In connection with creative accounting techniques, the study shows that in Botoșani County they are not very varied, the most commonly used being the modification and adaptation of various parameters of the depreciation policy as well as overestimation or underestimation of profit.

- We also note that, although 40.98% of the accounting experts stated that they applied creative accounting in practice, the majority of respondents consider that the task of "professional and regulatory accounting structures" in combating CAT is very remarkable, instead, they consider that financial auditors are not required to identify these practices.

Proposed remedies to restrict creative accounting

Many specialists in the field of accounting believe that creative accounting is a lost cause, starting from the idea that innovation can not be regulated but especially dominated. It is true that so far the whole arsenal of measures proposed by scientists has not largely restricted these practices, but we do not consider it appropriate to "lay down our arms" in combating techniques specific to creative accounting.

In order to limit the harmful consequences of this practice, we believe that changes must be made to the level of "regulatory rules", by finding those "buffer" solutions to isolate the gaps created by legal rules, rules that are the source of many practices of maneuvering. financial statements.

In this sense we can propose:

- Free provision to experienced investors and external users of experienced independent financial analysts, in order to provide an analysis of the "financial statements" to find any imperceptible cosmetics;
- Providing from the specialized staff of the information control structures, preventions and / or optimal remedies to the various inconveniences detected during the inspections;
- Aggressive media coverage within the entities of an intransigent attitude, against CA practices and ensuring a person specialized in the fiscal field, able to update in time with the new and permanent changes, in order to identify possible accounting manipulations

V. CONCLUSIONS

The significance of the information regarding the substantiation of the decisions is amplified by the whole globalization as well as by the plurivalence of the economic environment. The complex of fluctuations in taxation and accounting in terms of the legislative framework, have made possible the emergence of ways of describing economic information that more or less clearly show the real situation of an enterprise. To this challenge, the accountant has to see without delay the possibility of adapting to the ever-fluctuating information requirements, perhaps even without adding normalization, thus creating the need for innovation, creativity in finding the means and treatments to enhance the picture of entities. without being in contradiction with the legislator, using professional ethics and deontology.

The multitude of risks related to the economic environment, in which the entities are forced to carry out their various activities, make it difficult to quantify with certainty many elements specific to the financial statements, which can only be estimated. In this table, the "concept of creative accounting" is increasingly gaining ground in terms of a practice of shaping accounting sources insofar as it is within the limits imposed by the regulatory framework, using different versions of options or accounting treatments or valuations in order to materialize the intended objectives, with the risk of distorting them. In the opposite direction, respectively contrary to the legal norms, one enters the sphere of illicit accounting or financial-accounting embezzlement.

Following the research of the literature in the field, it can be easily deduced that a consecrated definition of this notion has not been established, there are many approaches designed to provide the researcher with both a delimitation of generally accepted features and highlighting some dichotomous views. Consequently, some defining features found among the existing explanations in the literature on this phenomenon can be outlined, namely:

- It is an intentional practice of the decision maker, having a note of perfidy in relation to the consumer of accounting information;
- It knew its evolution precisely by defying some loopholes within the regulations in the field;
- Provides a faulty direction, in the sense of mirroring a predetermined image of the concrete state of an enterprise;
- It involves a series of aggressive translations (interpretations) of the rules in force;
- The purpose is channeled on the bias especially of those empowered with attributions in order to prepare the financial statements.

Regarding the possible relationship between CA and fraud, we are of the opinion that the latter, in itself, does not have the capacity to reveal "creative accounting", as it is illegal, so there can be no talk of similarity, although both are exercised with obvious intent, "creative accounting" falls within the legal sphere, of course not exactly respecting its spirit, but when used with good thoughts, it can be a vector in acquiring an accurate representation. He concludes that, in the event of fraud, the innovative side of the individual speaks for itself through the entire arsenal of specific tools.

Following the research on creative accounting practices in Botosani County, we can say that most accounting experts have a positive view of the concept of creative accounting, and most financial auditors do not embrace this approach. Most of the respondents have a professional experience between 10-20 years, which explains to some extent the fact that over 50% of accounting experts believe that specific engineers CA they can be a real help to the entities when the delimitations of the law are not exceeded.

It should be noted that although a significant percentage of accounting experts have a permissive attitude towards creative accounting and its techniques, in practice, about 60% of them said they did not face situations in which to use the techniques related to it. Most of those who made use of these techniques, say they were under pressure from management, as confirmed by the responses of financial auditors, the main incentives being those with fiscal implications.

In connection with creative accounting techniques, the study shows that in Botoșani County they are not very varied, the most commonly used being the modification and adaptation of various parameters of the depreciation policy as well as overestimation or underestimation of profit. We also note that, although 40.98% of the accounting experts stated that they had applied creative accounting in practice, most respondents consider that the task of "professional and regulatory accounting structures" in combating CAT is very remarkable. Instead, they consider that financial auditors are not required to identify these practices. Many specialists in the field of accounting believe that creative accounting is a lost cause, starting from the idea that innovation can not be regulated but especially dominated. It is true that so far the whole arsenal of measures proposed by scientists has not largely restricted these practices, but we do not consider it appropriate to "lay down our arms" in combating techniques specific to creative accounting.

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- Aggressive media coverage within the entities of an intransigent attitude, against CA practices and ensuring a person specialized in the fiscal field, able to update in time with the new and permanent changes, in order to identify possible accounting manipulations.
- Practice shows us that the entities are in a continuous improvement in identifying those solutions meant to ensure an advantageous position in the business environment as well as to ensure a continuity of activity, especially when they have to adapt to legislative fluctuations.

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