

The Role of Accounting and Accountant in the Modern Economy

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Abstract: - The digitization of the economy is a phenomenon known as the Fourth Industrial Revolution with major positive effects for competitiveness, by increasing productivity. It has a noticeable impact on the labor market, through the creation / disappearance of jobs and the emergence of completely new occupations and places great emphasis on the collaborative involvement of all interest groups (industry, consumers, experts, government). It is important to mention that each one of the principles of the new economy open up specific paradigms for economic science in general, but especially for its different disciplines and specializations, accounting being also marked by digitalization.

Key-Words: - The economic revolution, digital technologies, B2B - business to business, B2C - business to customer, B2E - business to employee, B2G - business to government, G2B - government to business, cloud computing, ERP (Enterprise Resource Planning) system.

1 Introduction

The economic revolution is a total revolution that is reflected in the way it occurs, is consumed and works, its effects being the transformation of professions, the highlighting of new branches of activity and diminishing until the disappearance of others. At the same time, there are areas of activity which, in order to survive must enter into major, unexpected changes even. It is a challenge for traditional business models.

The way accounting is kept has changed a lot, but the importance of the accounting function has not changed. Modern technologies must be a good friend of accounting and take over some of the activities required for data entry and processing, and the importance of professional accounting reasoning, plus the verification, interpretation and analysis of data remains the responsibility of the accountant.

Those who choose to ignore the fundamental changes in progress or try to cosmetize them are obliged to bear their effect in the near future. Digital transformation has more opportunities than dangers for those who embrace it. This is what economic actors have to do today, regardless of the area in which they operate¹.

2 Digital economy - Accounting in the digital age

The digitization is the reality in which the modern accounting professional is trained, perfected and carries out his daily activity. It is an environment in which the understanding of the opportunities of new technologies ensures that obstacles are overcome and risks are prevented.

The unusually high volume of information leads to changing in the way markets operate and it also facilitates the emergence of new opportunities for creating value by exploiting the available information. The digital economy or the new economy refers predominantly to changes in economic activities as a result of the use of digital technologies, which ensure access, storage and processing of information in a way that trains lower costs with small efforts.

It is a global economy that favors intangible products, ie ideas, information, relationships and relies on intense interconnection.

¹ From Emmanuel Macron's preface to the book "The certified public accountant and the digital economy" Philippe Arraou - President of the French Order of Certified Public Accountants, published by Ordre des Experts comptables, 2017

Through new digital technologies, the storage, access and transmission of information are becoming easier and more accessible. Digital information can be transformed into economic and social values, generating unexpected opportunities for the development of new products and services. Information becomes the key resource for the digital economy.

The new economy favors or is favored by the geographic, economic and geo-political environment, at international level but also at national level, which has led to the phenomenon of "digital divide" (exclusion from the benefits of new technologies of social categories and regions / geographical areas).

In the digital economy, the concept of work has changed substantially by the fact that many activities are carried out on the computer, including through Internet connections. Moreover, new activities have emerged, new professions that have radically changed the concept of work. In the context of the digital economy, digital work is a concept that has become an essential basis of discussions within the economic policies in the field of the Internet.

In this paper, we will try to illustrate how a seemingly endangered profession of computerization and automation must precisely use these tools to modernize the current supply and channel the human capital to areas where it can provide added value.

Synthesizing and presenting accounting data and information has never been easier, digitization is the ideal solution in presenting relevant, verifiable, reliable, transparent and accessible information in a timely manner. The accounting professional has some opportunities in the digital economy era to offer new approaches to reporting, providing users of accounting information, whether internal or external, with transparent and honest information about the financial position, performance of an economic entity and flows of its treasury.

Digitization is the reality in which the modern accounting professional is trained, perfected and carries out his daily activity. It is an environment in which the understanding of the opportunities of new technologies ensures that obstacles are overcome and risks are prevented.

As the digital economy has made its mark on all fields of activity, neither could accounting remain unaffected by digital transformations. It could even be said that the accounting profession stands out through its broad awareness of the fact that the digital transition is an inevitable reality that has an impact on the accountants in the organization, the workplace, the customer relationship, etc., and in short, in every dimension of their operations.

It is often saying that the accountant has only the task of recording economic-financial transactions (book-keeping). The accountant (in the broadest sense of the term) must be an economist and a financial person, all together. In fact, it must be equipped with an analytical mind, which will give it a clear meaning in its role, in addition to book-keeping.

In the digital age, the biggest challenges of the accounting profession are integrated thinking, globalization and technology. The accountant also has the role of strategic consultant, to help companies to implement a business model that will facilitate their growth. In terms of globalization, it does not only affect the accounting profession, but the society as a whole.

For any company, the access to information, the speed of their transmission, the speed of decision making, the mobility of the staff and the flexibility in managing accounting activities are becoming more and more important. In this context, a strong accounting system is a basic component of the information system of an economic entity that is the basis of a good functioning and business development.

Accounting has sought to adapt at all times and, speaking of accounting practices in Romania, the need for adaptability has increased, especially since the 1990s. Accountants were forced to keep up with the changes in accounting regulations every five years, to even more frequent changes in tax law, and besides, the need to adapt to digitization kept them on alert.

Due to the successive technologies that have shaped and reformulated the economic environment, the accounting has gone from keeping handwritten accounts to registering them with the help of the typewriter on paper sheets. The change went even further, as the paper sizes disappeared for the benefit of electronic records and proceeded to collect accounting records and transmit data in electronic format.

Contemporary accounting professional practice has little resemblance to what it was in the post-war period and, as the transformation gains speed, there is every reason to believe that, in the immediate future, it will look very different from what it is today. The ongoing regulatory reforms and the digital revolution will be crossed, providing many opportunities for most practitioners who will strive to gain a foothold in the specialty market.

Over time it has been proven that accounting professionals have the ability to ask the right questions about progress and to develop and adapt accordingly to the business environment and market needs, which are,

by definition, constantly moving. In today's "fully electronic" environment, the focus on IT resources, which may be traditional systems or integrated information systems, comes to ease the work of accountants who, over time, have shown adaptability to legislative changes or changes due to the progress of the digital economy.

It can be said that IT has been a powerful growth engine for the accounting profession, which has allowed extraordinary productivity gains to be made, even if, at the same time, accounting, fiscal and social requirements have become more complex. Accounting practices have achieved excellent performance and it is not exaggerated to say that this evolution benefited first of all the companies, which now can have easier access to the information regarding the financial position and the performance of the company, and at much lower prices, they can to monitor the submission of documents or to follow the relationship with the state institutions.

The reality of the digital phenomenon, both in society and in accounting practices, is truly revolutionary: intense, profound and irreversible, it is a change of society to which any accountant must adapt. The digital transforms the organizational modes and stimulates the metamorphosis of the accounting field. In this sense, the accountant must be concerned with having a strategy in a digital world rather than having a digital strategy.

The digital transition of the economy comprises an almost total transformation in most economic fields. This applies, of course, to accounting practices as well as to any operating entity: we are all caught up in this adventure that helps us take customer relationships to another level, especially in terms of data transmission and reporting.

The way we keep accounting has changed a lot, but the importance of the accounting function has not changed. Modern technologies must be a good friend of accounting and take over some of the activities required for data entry and processing, but the importance of professional accounting reasoning, plus the verification, interpretation and analysis of data remains the responsibility of the accountant.

The digital economy helps social and generational inclusion provided that the applicants have digital knowledge to enable the IT sector to be globally competitive. To do this, it is necessary to promote digital skills at every stage of education and vocational training, so that future employees, from any branch of activity, including accounting, have a high level of qualification.

3 Accounting tools in the digital age

In the not too distant history of accounting, accounting reports were jokingly called "bed sheets" because of the size of the sheets they were written on. The work of an accountant and the attention that was needed when drawing up the accounting documents, respectively the accounting and fiscal reports, were weary and time consuming.

With the advent of computers and accounting software, accounting has become easier and less risky to make mistakes. The only hurdle was that the staff had to be trained to use the new technology, but this was easily overcome.

Gradually, the accounting programs became more and more complex, and they could execute, in addition to mathematical operations, a series of complex operations, accounting and tax reporting, management closures, complex records, etc. Accounting software is a digital conversion of the work done by an accountant. At the beginning of using the accounting programs, the barrier imposed by the insufficient knowledge of the work on the computer led to the phenomenal "so does the program". The program must do what the accountant tells it. It must accept the implications of digital, but remember that the profession of accountant is not a passive profession but implies the involvement in the development of processes. The accounting profession has to learn from the digital revolution, but in turn, it can offer advice to those who lead this revolution.

The use of accounting software requires advanced accounting knowledge, so the accountant cannot disappear from this equation. Soon, however, many of the manufacturers of such software will cease their activity, because their products will become anachronistic with the real needs of the entrepreneurs.

21st century technology offers complex solutions, online accounting services (Cloud technology), compared to the classic, licensed accounting programs that are currently considered quite difficult to use by an entrepreneur, which is why they are used mainly by to accountants.

3.1. Enterprise Resource Planning (ERP) systems

An ERP (Enterprise Resource Planning) system is a unique IT platform, used for integrated monitoring, control and management of all activities, processes and operations carried out by a company. An ERP application

can be used for any field of activity: production, trade (retail), distribution, accounting, import / export, service provision, etc.

By developing ERP systems we could say that the accounting department, in a company, is no longer isolated, is interconnected with all the other departments of the company and, when the manager wants financial accounting information, he has access to it without being need to ask the accountant for help.

ERP systems replace accounting software that has limited utility compared to them and can be: on-premises ERP or on the internet (cloud ERP). The basic difference between on-premises ERP and ERP cloud is clear:

- On-premise (local) ERP solutions are installed locally on the company's hardware and servers and are then managed by IT staff
- ERP cloud - also called SaaS or Software-as-a-Service - is offered as a service. With this type of implementation, the company's ERP software and its associated data are centrally managed (in the "cloud" of the Internet) by the ERP provider and are accessed by customers using a web browser.

The type of ERP implementation model used can have a significant impact on a business. An ERP system significantly improves interdepartmental collaboration and participates in the automation and efficiency of the activities within the company.

The basic principle of the functioning of an ERP software is the centralized collection of the data in order to distribute them on a large scale, an ERP system has a common database through which access to the data collected from several activities, by several departments, thus putting together the information and experience of all ERP users to create a unitary and integrated perspective.

Through the interface of the ERP system, the data are collected / recorded, validated, processed, transferred or exported in raw form or in the form of reports, financial-accounting statements, etc. Data registration in the ERP system is done by:

- Enter the data directly by the operators, using the keyboard or by scanning the bar codes, if necessary
- Import from other databases
- Transfer between third parties, in particular between IKA (International Key Accounts) and their suppliers, using EDI (Electronic Data Interchange) technology

Therefore, an ERP software helps the user to manage their activity better and faster and to record it in the database, and the resulting documents or information are then accessible also to the management or to the other departments that need this data to carry out its activity.

The components of an ERP system are:

Administration - to define available menus for users and access rights in ERP, to customize documents and reports or to define the backup process of the ERP database.

Accounting - intended for the automation of the accounting operations and for obtaining the financial and accounting statements and reports, legally binding.

Inventory - for accurate real-time management and monitoring of all product stocks and stock movements, regardless of one or more locations.

Fixed assets - for the detailed recording and follow-up of the financial operations carried out on the assets (fixed assets and inventory objects), with automatic reflection in the accounting.

Payroll - for the management of information related to employees and for solving all activities related to salary calculation (holidays, contracts, payment of salaries and taxes, meal vouchers, etc.).

Orders - for the correct estimation of the inventory requirement to be ordered from the supplier, taking into account several variables, such as seasonality or demand for products.

Supply - for the optimal and efficient management of the supply chain and of the necessary supply.

Sales - for organizing and tracking sales, discounts applied, but also for preparing the documents related to the sale.

Receipts-Payments - to track the real situation of outstanding and outstanding invoices from customers or suppliers, but also of the situation of bad / good paying customers for one or more commercial agents.

Billing - for the registration and generation of documents specific to the billing circuit (proformas, invoices, notices, etc.).

Services - for the activities of services, service and guarantees and for the preparation of the necessary documents.

Production - for the correct record of the orders that are followed by a production process and for the efficient management of the production recipes, the input or consumption vouchers, the production reports, etc.

Cost centers - for greater transparency on the distribution of costs by each division, branch, department, work point etc. so you can quickly understand what is profitable and what is not.

Notifications - Automates sending to customers via email, information and documents (invoices, reports), directly from ERP.

Interfaces - allows the automation and programming of data exchange, between ERP and third party applications such as online stores, warehouse management application (WMS), application for analysis and reporting (Business Intelligence), POS, EDI, software for sales agent automation (SFA), CRM etc.

Nomenclature - for recording important information about third parties / partners, administrations or products.

Reports - for generating and customizing a large set of reports, for each department of the company.

The digital revolution has changed and continues to change any human activity, including accounting, the representatives of the accounting profession will in the future be the main providers of information needed for the decision-making process at any level, although many of the accounting activities could be taken over by computers and robots. It is about retrieving data from any type of media and processing it. Probably, accountants will have to expand their areas of activity considerably. For example, to offer more comments and solutions, proposals related to risk management, consulting and business recommendations, to develop more forecasts, to participate more actively in decision making.

3.2. Cloud computing - the accounting tool in the digital age

Cloud computing is the most popular expression in today's IT world. "Cloud" is a well-known metaphor of the Internet which, combined with the word "computing" should suggest simplicity. It's like a network you connect to and pay for as you consume. The use is made on request and according to needs (in variable quantities), and the payment is according to consumption, it is paid as much as it is used.

A definition of the cloud would be: a solution for using external data resources (servers, storage space, applications and services) over the Internet. With cloud computing, managing a business becomes much easier. A data center stores the economic applications to which companies log and use them, directly benefiting the final service, without taking many other actions to reach the desired end. This is the power of cloud computing.

Cloud solutions have the benefit of low cost because they do not use so many resources to work and they seem to be more reliable than most applications. In addition, the applications in the "clouds" have automatic upgrade, so the application will be safe, efficient and will have new features without any effort from the user.

The difference between traditional systems and Cloud computing is that it offers several features, including flexibility and cloud systems, which show great adaptability, also called scalability.

Another defining difference of the Cloud systems, compared to the classical systems is that of adjusting the amount of resources allocated, automatically, according to needs, the level of the allocated resources is only slightly higher than the level of resources consumed.

Through Cloud technology, the relationship between administrator and accountant becomes truly effective. As an end user, the contractor only has to upload a scanned or photographed copy of the desired document (eg invoice), and the information in these documents will be processed and recorded in the final accounting document (balance sheet, report, statement to ANAF, etc.). by an accounting specialist with whom the respective platform collaborates.

Cloud technology favors the existence of applications that run entirely through the Internet and have a high degree of interactivity with the user (Rich Internet Applications).

Advantages of Cloud Computing:

- Synchronizing user data using multiple cloud-related devices (eg, smartphone, tablet, notebook, but also PC) is simplified
- Online documents in the cloud can be processed using web applications
- Increased computing speed and storage capacity, but without investments in its own configuration
- The data cannot be stolen, the data carrier cannot be damaged, etc.

4 Conclusion

Online accounting services are truly revolutionary, they can also be used by individuals (business administrators) who do not need advanced accounting knowledge. Also, the company does not need any employee or permanent collaborator in the financial-accounting department, the online accounting services take over all the repetitive tasks, and offers permanent access to the accounting information that the administrators need, from any device with a connection to Internet.

A major advantage of the online accounting services is that any problem that appears in the daily activity of the business can be solved quickly due to the access to the financial documents and accounting information of the company.

Freed from the small and repetitive tasks, the accounting professional who performs in the digital age characterized by automation and new technologies, will be able to devote more time to advising clients and developing their business.

Even though applications, technology (including artificial intelligence) and increasingly efficient procedures will help us perform tasks faster, none of them will replace professional accountants because it will always require the judgment of a professional.

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