THE EVOLUTION OF PROFESSIONAL ORGANIZATIONS IN THE ACCOUNTING PROFESSION AREA – TAKING FOR EXAMPLE CECCAR AND CAFR

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Abstract  
The Romanian professional bodies promote on their websites and magazines the partnerships and activities of international relevance. Also, the high-level representatives of international bodies at the professional bodies’ congresses indicate their connection to the international environment.  
This research has implications for the literature on the accounting profession, but also for professional bodies and academia. The professional bodies and academia should understand and support the changes in the profession and should play a significant role in its future evolution. Future research is needed in order to understand the source of variation for the factors influencing the profession, the reactions in the profession and the implications for education.  

Keywords: Accounting profession, Accounting education, Expectation Profession, Accountants and Auditors  

Classification JEL: M41

1. Introduction  
Scientific development influences the evolution of markets and national economies, the accounting professional being the one who holds a significant role in business progress. A company’s image is reflected through the financial statements issued by accountants.  
Albu (2013) identifies and analyzes "the main factors influencing the recent evolution of the Romanian accounting profession in order to explore some emerging trends. An important place in the study is given to professional bodies that have contributed and continue to contribute to change the image and development of the accounting profession". Tiron (2014) considers that "the development of the profession in terms of small and medium offices requires answers to tough challenges, such as the effect of globalization, the emergence of professional networking, internationalization of the profession and of course, the question on solutions that could be adopted to overcome them is open, the involvement of national and international professional bodies to support the work of this group of professional accountants."  
Albu (2013) argues that "national professional bodies should consider themselves in competition with the international ones, in order to result mimetic and normative isomorphism which would be of benefit for the local profession".  
Albu et Albu (2010) considers that “the image of the accounting professional will suffer certain changes in the future, due to an important percentage of respondents that were interviewed regarding the accounting profession in Romania”:  
Global changes that have affected the business environment and people lifestyles have highlighted a sustainable development of accounting profession, in conformity with regulations an drew accounting criteria.  
While generally, sustainable development focuses on future generations, the accounting profession’s sustainable development lies on the fulfillement of future needs, and it doesn’t have as aim only the present needs.

2. Cooperation of education with professional organizations and the business environment  
The way in which the profession is organized and the impact of organizations’ strategy on accounting profession suffers numerous changes so that, after December 1989 The Body of Expert and Licensed Accountants of Romania (CECCAR) was initiated and in 1999, at the requirement of The World Bank and The International Monetary Fund, The Chamber of Financial Auditors of Romania (CAFR) was established. Both organizations are today The Institute of Financial Accountants (IFAC) members and have a good relation with international accounting organizations. For example, The International Federation of Accountants (ACCA) enjoys a good position in Romania, as well as in other developed countries [8].
CECCAR monitors the accounting profession in our country and it has branches in all counties. The representatives of the professional bodies tend to support a change away from the traditional image of the accountant which is related to numbers use, conservative behavior and routine. There has been claimed that the professional bodies contributed to the changes in the profession. [1]

At a national level, CECCAR has a series of essential characteristics concerning its activity, and they are illustrated in Fig. no. 1:

Fig. no. 1 Main characteristics of the CECCAR activity

Source: [3]

The accountant is extremely important for the success of a business, having three fundamental criteria:

- **Ethics**;
- **The quality of services**;
- **Continuous professional development**.

CAFR is the organization which authorizes the financial auditors' activity, this one being approved by the organization of monitoring the activities, organism that synthesizes financial statements of companies and finally draws up a report by means of which assures the public of its authentcity and exactness.

This is the reason why the accounting professional has the responsability to prove a high qualitative professional training in his sphere of activity.

Users of financial statements have certain expectations regarding professional practice, expectations that focus on quality, transparency and relevance of data provided. In this way a value judgement can be issued concerning the state of audited companies.

Accounting professional guide themselves after two types of norms: The Code of Ethics and International Auditing Standards issued by the International Federation of Accountants, norms that are fully applied by all financial auditors. There is a growing interest for reformation in the accountong field both at a European and a global level.

CAFR brought into discussion an analyzed regulations concerning the auditing of annual accounts and the statutory auditing, offering support to the reforms in auditing.

Financial crisis and economic controversies discusses the way in which certain companies activate at a national and international level.
It was also approached the setting up of a monitoring organization of accounting professionals, CSPAAS (The Council for Public Surveillance of the Statutory Auditing Activity).

Fig. no. 2 Emphasizing CSPAAS characteristics

Source: [7]

CECCAR is also publicly monitored. In Romania, CAFR supervises these activities, under CSPAAS monitoring.

The reform is the solution to the overcoming of administrative, politic, social and economic difficulties. We must take into account that there are some measures that might harm the decision making when they are not correctly applied.

The auditing sphere is also submitted to reform and The European Commission supports it.

Romanian professional organizations promote on their websites and publications partnerships ad activities of international significance. Also, the most important representatives of international organizations at congresses of professional organizations (for example, the IFAC president) assert their relation with the international environment.

Interviews with CECCAR representatives prove their implication in the international activity, their belonging to different groups and a good international reputation. Nevertheless, when it comes to members, there is a disequilibrium between the international image and daily issues.

CECCAR is a developed professional organization, comprising a high number of members and probationers. It seems that its strategy was drawing and accepting a large number of members in order to support the profession’s stability and strength.

Social pressures that have their origins in the past, norm and values act against a significant evolution of the profession. Consequently, the issues and interests have generated the incapacity to support an appropriate institutional context for a normative correspondence.

The legitimacy of the professional organizations’ strategy implied in the first years a difficult access to the profession. There are, however, some gaps, and requirements were considered to be eliminated from practice.

There a few studies that approach the role and image of accountants in the actual romanian context. Albu et Albu (2010) suggest that “accounting professionals are regarded as people of numbers, but in the romanian environment they also have the role of information providers, role in decision making, analysis and consulting”.

Albu et al. (2011) thinks that “accounting professionals in Romania are more preoccupied by the main aspects of the profession: reporting, legal conformity and performance appreciation, being more interested in the roles that imply sustainability and governance”.

Representatives of professional organizations tend to support a transition from the traditional image of the accountant, user of numbers, with a conservative and monotonous behaviour”. [2]. It is also sustained the idea that professional organizations have contributed to changes suffered by the accounting profession.

One of the main objectives of a set of global accepted accounting standards like IFRS, is to improve transnational comparisons between companies’ performances.

However researches have proved that the influence of cultural environment is a key factor of the influence on accounting practices. Culture is a promoter of accounting development and education in the field.

The globalization of the modern business environment and the large scale acceptance of IFRS prove that accounting practices are no longer restricted by national borders. Hail et al. (2010) agree that “IFRS issued by IASB and US-GAAP issued by FASB will be included in a single set of accounting standards.

Nevertheless, the validity of this opinion continues to be subject to debates because of the many obstacles in the way of globalization. Such obstacles refer to national and regional differences in interpreting and asopting accounting standards and principles, as well is an indicator as to the variable levels of transparency in the process of IFRS adoption. [3].

In the case of CECCAR, conformity with international standards and regulations is an indicator of the fact that the professional’s competence had been hidden and the organization brought it to light and opened new horizons [1].

Accounting professionals are required to attend certain professional courses in order to access and maintain themselves in the profession [7]. Part of these courses takes place according to international standards, at least in the case of IFRS, auditing and standards of ethics. However, there are no powerful mechanisms that might support full conformity to these requirements. Also, those who enter the profession have to be prepared for immediate practice [5].

Given the expectations of the business environment, providing appropriate training in all situations is difficult for the accounting profession. For example, many accountants that activate in small and medium-sized enterprises don’t understand the necessity of studying IFRS, as their issues are related to tax and legislation. On the other hand, for accountants in multinational companies, there is a high need of training for acquiring knowledge about concerning IFRS, as a result of applied interviews.

On the whole, trainees that aim at the position of chartered accountant or certified public accountant consider they possess an appropriate level of knowledge in accounting, auditing and tax and a lower level in knowing international accounting, corporate governance, financial market and management [5].

Despite this variety generating obstacles in creating a normative conformity, CECCAR dedicated the last years to elaborating a series of norms useful in various fields and for understanding accounting regulations.

The years 2014-2015 represented a significant stage characterized by numerous actions and events for CECCAR and CAFR.

This positive period and CECCAR evolution are mostly due to its members, the experience they accumulated in their activity and their focus on continuous application of professional standards and The Accounting Profession’s Code of Ethics. The best contribution was that of the an efficient communicatio with the organization’s members, the interest and importance given to changing unfavourable views of some of the members and the recognition of the benefits offered by the professional organization they belong to.

Specialists proved professionalism, constancy and ability to act in a mature, stable and continuous manner, applying the three fundamental principles: quality, ethics and education.

During 2014-2015, CECCAR evaluated the degree of conformity and the observance of regulations regarding education and professional ethics, took measures concerning continuous cooperation and communication with accounting professionals, evaluation of received notifications and reports issued by professionals, and continuous professional training.

Our purpose is to highlight both the CECCAR and CAFR roles, by means of their cooperation with the business environment, the field of education and the academic sphere, analyzing separately the two professional organizations.

3. Conclusions

We described the evolution of the national professional bodies and their quest for legitimacy. Through their actions, the professional bodies set the framework in which the profession evolves and develops. We suggest that professional bodies aligned to the requirement of international organizations in order to be recognized and considered legitimate.

They use this legitimacy also in order to strengthen the position on the local market. However, they did not totally imitate the international models. Therefore, the normative background for the profession remains limited mainly to the legal requirements for compliance.
This study brings a certain contribution to the specialty literature, but also to the professional and academic organizations that should understand and support changes in the profession and play an important role in its future development. Further research is needed in order to understand the reason of the variation of the factors influencing the profession, reactions concerning the profession and implications regarding education.

4. Bibliography