LEGAL AND REGULATORY FRAMEWORK OF ACCOUNTING IN ROMANIA

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Abstract
Legislation refers to a law or a set of laws, but also to a process of making or enacting laws. Foundation of administration in today's social order, legislation has a significant impact on people's lives and the functioning of organizations. Legislation is expressed in different forms. Every country in the world has its own legislation. The Romanian legal framework includes the following sources of law: the Constitution of Romania, legislation adopted by Parliament, decrees of the President of Romania, legislative acts of the Government, legislative acts issued by central government, acts of the autonomous administrative authorities, legislative acts issued by local government authorities. This article highlights the legal and regulatory framework of accounting in Romania. The current Romanian accounting system is dualist, comprising financial accounting or external accounting, and management accounting or internal accounting. Accounting Law no. 82 of 1991, republished in 2008, with subsequent amendments and additions, is the main legislative instrument for all entities obliged to keep accounts. For the organization and management of the accounting of public sector entities, as well as for the organization and management of the accounting of private sector entities, the Ministry of Public Finance has developed accounting regulations, approved by orders of the Minister of Public Finance. For each type of entity there are specific regulations. The results consist in providing the main legal accounting regulations for both public and private sector entities, with the aim of assisting accounting economists and all those interested in the field of accounting. It is important not only to know the legislation in force for the accounting field, but also to have that legislation updated.

Key words: *accounting, legislation, regulations, public institutions, private entities*

JEL codes: *M41*

1. Introduction

Legislation, the foundation of administration in present day social orders, serves as the bedrock upon which the rule of law is built. It is the formal expression of a society's values, needs, and desires, embodied in the written word and ratified by the duly elected representatives of the people. As a capable instrument of financial, social, and political alteration, legislation contains a significant affect on the lives of people and the working of organizations.

The term legislation is defined as "a law or a set of laws that have been passed by Parliament. The word is also used to describe the act of making a new law" [1]. According to the Cambridge Business English Dictionary, legislation means "rules or laws relating to a particular activity that are made by a government" or "the process of making rules or laws" [2]. For the Editors of Encyclopaedia Britannica, legislation is "the preparing and enacting of laws by local, state, or national legislatures. In other contexts it is sometimes used to apply to municipal ordinances and to the rules and regulations of administrative agencies passed in the exercise of delegated legislative functions" [3]. But what is law? The law is "the rules and regulations that govern a particular group of people in a country, area or organization and which they must obey and abide by or face sanctions. The whole system of rules and regulations can be simply referred to as the Law" [4].

A bill, which is a written document that outlines a proposed law and its features, is usually proposed during the legislative process. The legislative body discusses, considers, and votes on this law. If it is accepted, it becomes a law as soon as it is published and has any necessary executive approval, such the president's signature. It is crucial to remember that the legislative process may vary dramatically between nations, as well as between states or regions within a single nation. "Each country has its own legislative culture. There are countries with short and efficient laws;

there are others with lengthy and not so efficient ones" [5]. Legislation is "one of the key ways by which governments seek to change behaviour and outcomes for society. Legislation creates and removes rights, powers, and obligations, sets up or disestablishes institutions, gives governments the means to raise and spend money, and enables citizens to hold decision makers to account. (…) It affects individual and collective rights, the use of property, the way in which markets operate, the risks to the environment or human safety that are acceptable, and how wealth is distributed in society" [6].

The present scientific paper highlights the legal and regulatory framework of accounting in Romania. After literature review on the subject researched, we analysed the Romanian legal framework, in general, and the national accounting framework, in particular. At the end, we formulated the conclusions regarding the legal and regulatory framework of accounting in Romania.

2. Literature Review

The activity of entities is regulated by laws. In Romania, Monitorul Oficial R.A. publishes the official journal with all legislation approved by the parliament, the government, and other public institutions. Starting from the need of the accountants to be informed of the legislation in force, Teiușan (2017) analysed the Romanian legislative databases, as well as the institutions responsible for its availability and accessibility [7]. Suvorov et al. (2018) researched the Romanian legislative framework on public-private partnership [8].

King et al. (2010) investigated and evaluated the phase of developing accounting and audit in Romania, comparing the outcome of that development with the experience of some other transition economies. The paper concluded that the accounting developments avoided some of the pitfalls experienced earlier in other transition economies and also shortened some of the development process by making changes in parallel rather than in sequence [9].

The process of accounting harmonization in Europe has been achieved with the adoption of European Directives. Berheci and Chersan (2011) analysed the national accounting regulations from the perspective of compliance or non-compliance with European and international accounting rules [10]. In 2002 the European Parliament has adopted the Regulation (EC) No. 1606/2002 on the application of International Accounting Standards (IAS), which required all listed group entities within EU to apply the IAS for their consolidated financial statements starting from 2005. In an article entitled "Romanian Accounting - A Tale of Two Standards", Deac (2013) researched the dual accounting standardization in Romania; listed companies are required to use IAS/International Financial Reporting Standards (IFRS), and non-listed entities use the national accounting regulations harmonized with EU directives [11]. Debating on the reform of the Romanian accounting system, Manea (2018) analysed the approach taken by highlighting the main evolutionary stages from the harmonization and convergence of Romanian accounting to its normalization and standardization [12].

Morosan-Dănilă and Grigoraș-Ichim (2015) analysed the accounting systems of Romania and Moldova, in order to understand the possibility of a multinational investment. The authors presented the legal framework regarding accounting and the accounting regulatory bodies for the two mentioned countries [13].

In the context of the costs complying with accounting regulation by the smallest firms, Neag and Mașca (2012) presented in their article titled "Determinants in accounting regulation for Micro-Entities-a Romanian perspective" some ideas to the simplification process at the European level as a result of reducing the administrative burden for the smallest entities. The authors considered that a real accounting regulation for micro-entities in Romania could improve the quality of accounting information and could determine continuance of activities in these micro-entities [14].

Ștefănescu et al. (2016) made an analysis of the accounting system of public sector entities in Romania. They divided the research into two components: the first component includes conceptual approaches concerning the accounting system on a national and international level, as well as an analysis of the evolution of the Romanian accounting system for public sector entities, and the second component includes a questionnaire-based research which aimed to investigate the opinion of public sector accounting professionals regarding the in force accounting system [15].

3. Analysis and Results

Legislation is "expressed in different forms. Usually legislative measures are referred to as acts or, in the case of bicameral legislatures, joint or concurrent resolutions of both houses. No matter what these measures are called, they must be approved by the executive or passed over his veto in order to have legal effect. In some instances, one house or both may pass resolutions that may have some significance even though not submitted to the executive. (…) Legislation is useful in providing a framework for governmental action in fields that are either entirely new or that were not considered by the common law to be within the province of governmental action [3].

Every country in the world has its own legislation. The Romanian legal framework includes the following legal instruments [16]: the Constitution of Romania, legislation adopted by Parliament (constitutional laws, organic laws and ordinary laws), decrees of the President of Romania, legislative acts of the Government (orders, emergency orders, decisions), legislative acts issued by central government (Ministerial orders, guidelines and regulations), acts of the autonomous administrative authorities, legislative acts issued by local government authorities (the County Council, the Local Councils, the Bucharest Municipality General Council).

After changing the communist regime with a democratic society in 1989, the transition process from a centrally planned Romanian economy to a market economy has involved an accounting reform which began in 1991 with the adoption of the Accounting Law no. 82 and of the Regulation on applying the Accounting Law, approved by the Government Decision no. 704/1993. These normative acts brought a dualist accounting system, inspired by the French model. Before this moment in Romania a monist accounting system has been applied. Then, in the years that followed, the accounting system evolved; it has been harmonized with the European Directives, and in 1999 began the process of the convergence of national regulations with IAS/IFRS.

The accounting system in Romania is currently governed by the following main legal documents:

- Accounting Law no. 82/1991 (revised), indicating the requirements for the general accounting framework for Romanian entities [17];
- Order of the Minister of Public Finance no. 1826 for the approval of the Clarifications regarding some measures on the organization and management of management accounting [18];
- Order of the Minister of Public Finance no. 1917/2005 for the approval of the Methodological Norms on the organization and management of the accounting of public institutions, the chart of accounts for public institutions and the instructions for application thereof [19];
- Order of the Minister of Public Finance no. 1802/2014 for the approval of the Accounting Regulations regarding the individual and consolidated annual financial statements [20];
- Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with IFRS [21];
- Order of the National Bank of Romania no. 27/2010 for the approval of the Accounting Regulations in accordance with IFRS, applicable to credit institutions [22];
- Order of the Minister of Public Finance no. 170/2015 for the approval of the Accounting Regulations regarding the single entry system [23];

- Order of the Minister of Public Finance no. 2861/2009 for the approval of the Norms regarding the organization and performing of the inventory of assets, liabilities and equity [24];

- Order of the Minister of Public Finance no. 2634/2015 regarding financial-accounting documents [25].

The main legal document which regulates the accounting system in Romania is the Accounting Law no. 82 from 1991, which was updated and republished in 2008. Since the last republication, this law was modified and completed 9 times. According to this law, all the legal entities in Romania must organize and manage their own financial accounting. Management accounting is also compulsory, but the law allows each entity to adapt it to its own needs. Accounting must be kept in Romanian and in the national currency (RON), with except for the foreign currency transactions, which have to be recorded both in their original currency and in RON [17]. An important characteristic of the Accounting Law no. 82/1991, which differentiates it from other legislations, is the compulsory use of underlying documents as a basis for any recording; otherwise the transactions may be deemed illegal in the event of a fiscal or other type of control. Furthermore, all the legal entities must organize the general stock count of its assets and liabilities at least once a year. There is also a law which specifies pretty accurately the manner of conducting the general stock count of the assets and liabilities of businesses (Order no. 2861, which approves the stock counting norms for the patrimony). Another important aspect of Law no. 82/1991 stipulates that the responsibility for the organization of the accounting belong to the administrator, who is otherwise bound to supervise and sign the yearly financial statements, as well as the various fiscal reports. The administrator or the manager of the organization may externalize accounting or may organize the process internally. At any rate, the liability for the faulty application of accounting regulations belongs to the financial director, the chief accountant or to any other person delegated to perform this function, together with the subordinated staff [26].

In Romania there are the following accounting systems:

1) Internal accounting (management accounting) - compulsory for entities according to management needs (according to Order no. 1826/2003 [18]);

2) External accounting (financial accounting) - double entry bookkeeping for public sector entities (according to Order no. 1917/2005 [19]), double entry bookkeeping for private sector entities (according to Orders no. 27/2010 [22], 1802/2014 [20], 2844/2016 [21]), and single entry bookkeeping for private sector entities (according to Order no. 170/2015 [23]);

3) Tax accounting - no separate accounting for tax purpose. Tax result is determined based on accounting result adjusted with tax adjustments following from tax legislation and requirements (Law no. 227/2015 on the Fiscal Code) [27].

Considering the provisions of articles 1 and 4 from the Accounting Law no. 82/1991, republished in 2002, the Minister of Public Finance issued in December 2003 the Order no. 1826 for the approval of the Clarifications regarding some measures on the organization and management of management accounting, published in January 2004. This normative act comprises: (1) general provisions on management accounting: responsibility for the organization and management of management accounting, information provided by management accounting, the way management accounting is organized, and (2) provisions on the calculation of costs: factors and principles of cost calculation, cost structure, grouping of expenses in order to calculate costs. Depending on the specifics of the activity carried out, management accounting will mainly ensure the recording of operations regarding the collection and distribution of expenses by destination, respectively by activities, sections, manufacturing phases, cost centers, profit centers, as appropriate, as well as the calculation the cost of acquisition, production, processing of goods received, obtained, works performed, services rendered, production in progress, fixed assets in progress, etc., from the production, commercial, service provider, financial entities and other fields of activity. Management accounting is organized by the administrator of the legal entity either using specific accounts, or by developing the accounts from the financial accounting, or with the help of its own technical-operative records [18].

Accounting of Public Sector Entities

In 2002, the Romanian Parliament adopted the Law no. 500 on public finance. This law establishes the principles, the general framework and the procedures regarding the formation, administration, employment and use of public funds, as well as the responsibilities of public institutions involved in the budget process [28]. Four years later, in 2006, the same Parliament adopted the Law no. 273 on finance local public institutions, law which establishes the principles, the general framework and the procedures regarding the formation, administration, employment and use of local public funds, as well as the responsibilities of local public administration authorities and of public institutions involved in the field of local public finances [29].

Public institutions represent a generic name that includes the Parliament, the Presidential Administration, the ministries, the other specialized bodies of the public administration, other public authorities, the autonomous public institutions, as well as the institutions of their subordination/coordination. Public accounting includes the accounting of budget revenues and expenses, to reflects the collection of revenues and the payment of expenses related to the budget year, state treasury accounting, and general accounting based on the principle of ascertaining rights and obligations, to reflects the evolution of the financial and patrimonial situation, as well as the surplus or patrimonial deficit [28].

Local public institutions represent a generic name that includes communes, cities, municipalities, sectors of Bucharest Municipality, counties, Bucharest, institutions and public services under their subordination, with legal personality. Public accounting of the local public institutions includes the accounting of budget revenues and expenses, to reflect the collection of revenues and the payment of expenses related to the budget year, and general accounting based on the principle of ascertaining rights and obligations, to reflects the evolution of the financial and patrimonial situation, as well as the surplus or patrimonial deficit [29].

The Ministry of Public Finance is responsible for establishing through methodological norms the accounting procedures and the reporting system regarding the information provided by the public accounting. And the credit orderers have the responsibility of organizing and keeping up-to-date accounting and timely presentation of financial statements on the situation of the patrimony under administration and of the budget execution.

Accounting of public institutions is regulated by the Order of the Minister of Public Finance no. 1917/2005 on the approval of the Methodological Norms on the organization and management of the accounting of public institutions, the chart of accounts for public institutions and the instructions for application thereof, a legal document which has been modified and completed by 27 times until now. These methodological norms require the public institutions to organize and manage their own accounting, respectively financial accounting and, as the case may be, management accounting. Accounting, as an activity specialized in the measurement, evaluation, knowledge, management and control of assets, liabilities and equity, as well as the results of obtained from the activity of public institutions, must ensure the chronological and systematic recording, processing, publication and preservation of information regarding the financial position, financial performance and cash flows, both for their internal requirements and for external users: Government, Parliament, creditors, customers, but also other users (international financial bodies). The accounting of public institutions provides information to credit officers regarding the execution of the revenue and expenditure budgets, the result of the budget execution, the patrimony under administration, the patrimonial (economic) result, the cost of the programs approved by the budget, but also information necessary for the preparation of the annual general account of execution of the state budget, of the annual account of execution of the state social insurance budget and special funds [19].

According to existing regulations in the field of public finance and accounting [19], public accounting includes: (a) the accounting of budget revenues and expenses, to reflects the collection of revenues and payment of expenses related to the budget year; (b) state treasury accounting; (c) general accounting based on the principle of ascertaining rights and obligations, to reflects the evolution of the financial and patrimonial situation, as well as the patrimonial surplus or deficit, and (d) accounting intended for analysis the costs of approved programs. Public institutions have the obligation to conduct double-entry accounting using the accounts provided in the general chart of accounts.

The responsibility for the organization and management of accounting at public institutions rests with the credit orderer or another person who has the obligation to manage the respective unit. Public institutions organize and manage accounting, as a rule, in distinct compartments, led by the economic director, the chief accountant or another person empowered to perform this function. These persons must have higher economic education and are responsible, together with the subordinate staff, for the organization and management of accounting, in accordance with the law. The persons responsible for the organization and management of accounting must ensure, according to the law, the necessary conditions for the organization and management of the correct and up-to-date accounting, the organization and performance of the inventory of asset and liability elements, as well as the capitalization of its results, compliance with the rules for the preparation of financial statements, submitting them on time to legal authorities, keeping supporting documents, registers and financial statements, organizing management accounting adapted to the specifics of the public institution. Public institutions where the accounting is not organized in distinct compartments or which do not have persons employed with an individual employment contract or appointed to a public position, according to the law, may conclude service contracts for the management of accounting and the preparation of quarterly and annual financial statements, with natural or legal persons, authorized according to the law, members of the Body of Accounting Experts and Chartered Accountants from Romania. Contracts are perfected in compliance with the regulations on public procurement of goods and services; the payment of the respective services is made from public funds for this purpose [17].

The accounting of economic-financial operations is kept in Romanian and in the national currency. The accounting of operations carried out in foreign currency is kept both in the national currency and in foreign currency, according to the regulations developed in this regard. Operations regarding receipts and payments in foreign currency are recorded in the accounting at the day exchange rate, as communicated by the National Bank of Romania. The registration in the accounting of public institutions of the operations regarding the non-reimbursable financial contribution of the European Community is carried out in EURO and in lei, at the INFO-euro exchange rate. The INFO-euro exchange rate represents the exchange rate between the euro and the national currency and is communicated by the European Central Bank. The INFO-euro exchange rate used for recording in the accounting the operations of the current month (n) is that of the penultimate working day of the previous month (n-1). This course will be used by all public institutions that carry out operations financed from community funds PHARE, ISPA, etc., respectively: Agencies and/or Implementing Authorities, public institutions - final beneficiaries - of the respective funds in various forms: cash, goods, services. The monetary elements expressed in euros: cash and bank deposits, receivables and debts, are revalued at least, when preparing the financial statements, at the INFO-euro exchange rate communicated on the penultimate working day of the month in which the financial statements are prepared.

At public institutions, the accounting entries are made chronologically, by observing the sequence of documents according to the date of their preparation or entry into the unit and systematically, in synthetic and analytical accounts, in accordance with the rules established for the "chess-master" form of accounting entry. Accounting entries can be made manually or using computer systems for automatic data processing. In the "chess-master" form of registration, the main registers and forms used are: Journal Ledger, Inventory Ledger, General Ledger and Trial Balance. Public institutions can use the "simplified chess master" form of accounting entry. In this case, the synthetic accounting is kept on the "Account sheets for miscellaneous operations", opened for each synthetic account in the General Ledger (chess), and the analytical accounting is kept on the sheets mentioned in the "chess master" registration form. Under the conditions of accounting management with the help of computer systems for automatic data processing, each economic-financial operation will be recorded through accounting articles, chronologically, according to the date of preparation or entry of the documents into the unit. In this situation, the Journal-Register is edited monthly, and the pages will be numbered as they are edited. If a public institution has subordinate units without legal personality that manage the accounting up to the trial balance, the Journal Ledger will be managed by the subordinate units, provided that it is registered in the unit's records [19].

Accounting of Private Sector Entities

The private sector constitutes "the segment of the economy owned, managed and controlled by individuals and organizations seeking to generate profit. Companies in the private sector are usually free from state ownership or control. However, sometimes the private sector can collaborate with the government in a public-private partnership to jointly deliver a service or business venture to a community" [30]. "For business to thrive it needs to be underpinned by a strong legal framework based on four key principles: simplicity, transparency, fairness and accountability" [31].

In Romania there are several types of businesses, each with its own particularities. They are defined by the Law no. 31 from 1990 on companies, which stipulates the following types of legal entities: general partnership (SNC), limited partnership (SCS), joint stock company (SA), limited partnership on shares (SCA), and limited liability company (SRL) [32]. Another possibility to conduct economic activities is the authorization as a sole trader or a family association, in conformity with the Government Emergency Ordinance no. 44 from 2008, regarding the economic activities conducted by authorized sole traders, sole proprietorship and family associations [33], approved by the Law no. 182/2016, under one of the following forms: sole trader (PFA), the sole proprietorship, family association [34].

The accounting of private entities is regulated by the following normative acts:

1) Order of the Minister of Public Finance no. 1802/2014 for the approval of the Accounting Regulations regarding the individual and consolidated annual financial statements. These regulations apply by the following categories of persons: (a) companies: general partnership, limited partnership, joint stock company, limited partnership on shares, and limited liability company; (b) European companies with headquarters in Romania; (c) national companies; (d) regies autonomous; (e) national research-development institutes; (f) cooperative societies and other legal entities that, based on special organizational laws, operate on the principles of societies; (g) subunits without legal personality, based in Romania, which belong to legal entities based in Romania, under the conditions provided by these regulations; (h) subunits without legal personality, based abroad, which belong to the persons provided for in letter (a)-(f), based in Romania, under the conditions provided by these regulations; (i) subunits in Romania that belong to legal entities based abroad, under the conditions provided by these regulations; (j) the permanent headquarters in Romania that belong to legal entities based abroad; (k) foreign legal entities that have the place of exercise of effective management in Romania; (l) economic interest groups, established according to the law [20].

2) Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with IFRS. These regulations apply by the following legal entities: (a) companies whose securities are admitted to trading on a regulated market; (b) legal entities provided by the Order of the Minister of Public Finance no. 666/2015 on the application of the Accounting Regulations in accordance with the IFRS by some entities with state capital; (c) other entities obliged by legal provisions to apply the respective regulations; (d) other entities that have opted for the application of the respective regulations. The regulations apply together with the Accounting Law no. 82/1991, republished, with subsequent amendments and additions, with IFRS, as well as with other applicable legal provisions, in order to ensure a high degree of transparency and comparability of the annual financial statements. The provisions of this order do not apply to: credit institutions; non-banking financial institutions, defined according to legal regulations, registered in the General Register; payment institutions and institutions issuing electronic money, defined according to the law, which grant credits related to payment services and whose activity is limited to the provision of payment services, respectively the issuance of electronic money and the provision of payment services; the deposit guarantee fund in the banking system; entities authorized, regulated and supervised by the Financial Supervision Authority [21].

3) Order of the National Bank of Romania no. 27/2010 for the approval of the Accounting Regulations in accordance with IFRS, applicable to credit institutions. This order applies by the following entities: (a) banks, Romanian juridical persons; (b) cooperative credit organizations; (c) savings and credit banks in the housing sector; (d) mortgage credit banks; (e) branches in Romania of foreign credit institutions; (f) foreign branches of credit institutions, Romanian legal entities; (g) non-banking financial institutions registered in the General Register according to the provisions of Law no. 93/2009 regarding non-banking financial institutions, with subsequent amendments and additions, including those that also have the status of payment institution, in the sense of Law no. 209/2019 regarding payment services and for the amendment of some normative acts, or of an institution issuing electronic money, in the sense of Law no. 210/2019 on the activity of issuing electronic money; (h) branches in Romania of financial institutions, foreign legal entities, registered in the General Register according to the provisions of Law no. 93/2009 on non-banking financial institutions, with subsequent amendments and additions; (i) branches abroad of the institutions mentioned in letter (g), Romanian legal entities [22].

In all private sector entities, accounting is kept in Romanian and in the national currency. The accounting of operations carried out in foreign currency is kept both in the national currency and in foreign currency. By currency is meant another currency than the leu. Entities that have subunits organize and manage accounting so that the necessary information is available on the activity carried out by these subunits.

4) Order of the Minister of Public Finance no. 170/2015 for the approval of the Accounting Regulations on single entry bookkeeping. This order applies by the following categories of persons: (a) natural persons and associations without legal personality whose income is subject to income tax in accordance with the provisions of the Fiscal Code and whose annual net income is determined in real system, based on data from accounting, being obtained from the following sources: independent activities, transfer of use of goods, agricultural activities, forestry and fish farming; (b) persons or entities that, by the normative act of establishment, by special laws or by other normative acts, have the obligation to keep the single entry accounting, with the exception of legal persons without patrimonial purpose. The persons provided for in letter (a) have the obligation to keep the accounting records based on the rules of single entry bookkeeping or, at their option, on the basis of the rules of double entry bookkeeping, except for those for which in the normative act of establishment, in special laws or in other normative acts there is express provisions regarding single entry bookkeeping. Persons who opt for keeping accounting records based on the rules of double entry bookkeeping organize and manage their own accounting based

on the accounting regulations in force, applicable to economic operators, up to the level of a trial balance, without preparing annual financial statements. The accounting records kept in this way must allow the determination of the information necessary to fulfill the obligations provided by the legislation in force [23].

Single entry bookkeeping represents the set of registers and financial-accounting documents, legally regulated, which serve to highlight in accounting, chronologically and systematically, the economic-financial operations recorded in the supporting documents.

The persons who manage the single entry bookkeeping can use the financial-accounting forms provided in regulations or only part of them, depending on the specific elements of the activity carried out, so that they allow the determination of the information necessary to fulfill the obligations provided by the legislation in force. Depending on the needs, the persons who manage the single entry bookkeeping can also use other financial-accounting forms provided in the Norms for the preparation and use of financial-accounting documents, approved by the Order of the Minister of Public Finance no. 2634/2015 regarding financial-accounting documents. Individuals who manage single entry bookkeeping can also use other forms expressly provided by normative acts that regulate specific economic activities (agriculture, timber exploitation, gambling, etc.). The financial-accounting forms can be pre-printed or edited with the help of computer systems for automatic data processing. Single entry bookkeeping is kept in Romanian and in the national currency.

5) Order of the Minister of Public Finance no. 2861/2009 for the approval of the Norms regarding the organization and performing of the inventory of assets, liabilities and equity. The provisions of this order applies by the legal entities provided for in art. 1 of the Accounting Law no. 82/1991, republished, as well as by the persons who obtain income from independent activities and who are obliged, according to the law, to organize and manage the accounting records in simple batch.

The inventory of the elements of the nature of assets, liabilities and equity represents the set of operations through which the existence of all the respective elements is ascertained, quantitatively by value or only by value, as the case may be, on the date on which it is carried out. The main purpose of the inventory is to establish the real situation of all elements of the nature of assets, liabilities and equity of each entity, as well as the assets and values held under any title, belonging to other legal or natural persons, in order to draw up the annual financial statements that must provide a true picture of the entity's financial position and performance for the respective financial year [24].

Responsibility for the good organization of inventory works, according to the provisions of Law no. 82/1991, republished, and in accordance with the applicable accounting regulations, rests with the administrator, credit orderer or other person who has the obligation to manage the entity. In order to carry out the inventory, these persons approve written procedures, adapted to the specifics of the activity, which they transmit to the inventory commissions. The inventory and evaluation of the elements of the nature of assets, liabilities and equity can be carried out both with own employees and on the basis of service contracts concluded with legal or natural persons with appropriate training.

6) Order of the Minister of Public Finance no. 2634/2015 on financial-accounting documents approved the General and Specific Rules for the preparation and use of financial-accounting documents, as well as the models of financial-accounting documents. It contains general aspects on financial-accounting documents, provisions on the reconstitution of lost, stolen or destroyed financial-accounting documents, provisions on the preservation and archiving of accounting registers and other financial-accounting documents, information on accounting registers, forms of registration in accounting and the minimum criteria for computer programs used in financial-accounting activity [25].

Accounting of entities can be organized and managed either through internalization, in distinct compartments, led by the economic director, the chief accountant or another person empowered to perform this function, or through outsourcing, by concluding service contracts with natural or legal persons, authorized according to the law, members of the Body of Accounting Experts and Certified Accountants from Romania. The profession of expert accountant and licensed accountant is exercised by persons who have this quality, under the conditions provided for by Government Ordinance no. 65/1994 regarding the organization of accounting expertise and authorized accountants. The accounting expert is the person who has acquired this quality and has the professional competence to organize and manage accounting, to supervise the management of commercial companies, to prepare financial statements and to carry out accounting expertises, and the licensed accountant is the person who has acquired this quality in the conditions of this ordinance and has the competence to keep the accounts and to prepare the works in order to draw up the financial statements.

All the legal documents which govern the accounting system in Romania can be accessed on the Romanian Legislative Web Portal, available at http://legislatie.just.ro/. This portal is an information system of legislation that allows free and unrestricted access of any interested person to the national legislation in an updated and consolidated form [35].

4. Conclusions

Accounting is an activity specialized in the measurement, evaluation, knowledge, management and control of assets, liabilities and equity, as well as the results obtained from the activity of public or private entities. It must ensure the chronological and systematic recording, processing, publication and preservation of information regarding the financial position, financial performance and cash flows, both for their internal requirements and for external users.

In this paper we presented the legal and regulatory framework of accounting in Romania. The national accounting system is dualist. This comprises financial accounting or external accounting, and management accounting or internal accounting.

Accounting Law no. 82 of 1991, republished in 2008, with subsequent amendments and additions, is the main legislative instrument for all entities obliged to keep accounts.

Accounting of public sector entities is regulated by the Order of the Minister of Public Finance no. 1917/2005 on the approval of the Methodological Norms on the organization and management of the accounting of public institutions, the chart of accounts for public institutions and the instructions for application thereof.

For the organization and management of the accounting of private sector entities, the Ministry of Public Finance has developed accounting regulations, approved by orders of the Minister of Public Finance. For each type of entity there are specific regulations. These are: Order of the Minister of Public Finance no. 1802/2014 for the approval of the Accounting Regulations regarding the individual and consolidated annual financial statements, Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with IFRS, Order of the National Bank of Romania no. 27/2010 for the approval of the Accounting Regulations in accordance with IFRS, applicable to credit institutions, Order of the Minister of Public Finance no. 170/2015 for the approval of the Accounting Regulations on single entry bookkeeping, Order of the Minister of Public Finance no. 2861/2009 for the approval of the Norms regarding the organization and performing of the inventory of assets, liabilities and equity, Order of the Minister of Public Finance no. 2634/2015 on financial-accounting documents.

Providing the main legal accounting regulations for both public and private sector entities, they were intended to assist accounting economists and all those interested in the field of accounting. It is important not only to know the legislation in force for the accounting field, but also to have that legislation updated.

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