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How compliant is the Romanian accounting with the European directives and international accounting standards?

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Abstract. Cultural, economic, political, religious and social differences exercises influence also at accounting level, most contradictions existing between Anglo-Saxon and continental accounting systems. European directives, as well as IFRS are not binding in law, they do not bind national courts only in terms of outcome to be achieved and leaves them free when it comes to form and means used to achieve it. The enunciated aspect explains why we are dealing with national standards (rules) considering that, not only once, legislature and specialists in the field in our country have embraced all the collocations of "harmonization", "convergence" and newer, "compliance" of Romanian accounting regulations with European directives, with international accounting standards, namely IFRS, by which heads all countries and contributing to the globalization of accounting. The question naturally arises, how are European directives comply with International Financial Reporting Standards? but our national accounting regulations with IFRS or European directives? To answer these questions we considered useful to undertake a comparative empirical study in the international-European-national perimeter.

Keywords: internationalization, globalization, normalization, conceptual framework, accounting reform

Jel classification: M480, M490, C150

Introduction

The road of financial and accounting information, beginning with Law No.82 / 1991 - accounting law and going gradually to the emergence and implementation of OMPF 1802/2014, was under the influence of objective and subjective factors that influenced our country in option regulatory accounting.

The accounting reform that followed the implementation of accounting law is marked by lights and shadows, the delimitation of the first two phases from each other being given by optical communication that underlies the accounting or legal optics and optical economy.

Defining features of the millennium are given two directions towards which more countries, namely the internationalization and globalization, two directions with similar meanings, sometimes mingling but admitting the existence of differences of content.

With reference to the European and international, we believe that currently accounts can not be regarded as evidence only or as a technique for determining the taxable income, it is worth to take on a new dimension. However, achieving this from the national accounting is not possible because there is a need thinking internationally and not just nationally.

1. Is it possible accounting globalization?

Given the fact that the internationalization of accounting normalization manifested initially at regional level, such as the member countries of the European Union and Romania joined, before the various practices, norms and laws in different European countries, we ask: or not a European culture in accounting?

The difficulties and limitations of studying similarities between countries and management methods in Europe, the interest of a comparative approach appears to point out the differences.

A thorough search of problems is observed that there is a certain perception of businesses to act and react, to take decisions and to use different systems to US models which are often difficult to describe the formalized, but there is. On the other hand, we observe differences between European countries. Specific management tools are identical, but the same does not apply in practice.

The conclusion that can be drawn is that, information systems and management accounting common forms are similar in different countries of Europe, but their associated management practices differ from country to country visible.

This distinction leads to the idea that the main differences that arise between countries and between Europe and the United States occur in the informal systems. Formal information systems, instruments are very close; in retaliation, management practices differ in terms of informal systems, the actors around accounting and management tools and other in different cultural contexts.

Differences between culture and practice management related to two elements aimed, on the one hand, the mode of representation, the mindset of individuals determined by their belonging to a culture, and on the other hand, the rules of the social game, the the team that prevails in a given context. These two elements provide an essential link between the culture of a country

and what is happening in an organism economic and civil society of the country concerned.

In return, it is much easier in terms of culture, to bring to the fore the differences. Hence the interest in itself partisans claimed methods of cultural analysis: mechanisms and processes liberates and apply better compared with what is done everywhere only by an absolute description.

Comparative analysis on the differences in accounting shows a third interest: it is, conceptually well suited to a better understanding of what is Europe, insofar as the latter, above all, is very diverse. Is itself one of its characteristics.

Returning to the idea from which we started, we put the second question: is it possible accounting globalization? The answer is YES and NO! We can speak of a convergence of approximation theory and practice of accounting, especially in accounting, but no harmonization in the sense of compliance, the perfect alignment globally.

Therefore, globalization of accounting will be possible only when cultural differences between European and non-European countries will disappear. We are at the beginning of the road and the road is still very long.

The reforms implemented internationally at the beginning of the third millennium, determines the orientation of accounting in three areas, namely:

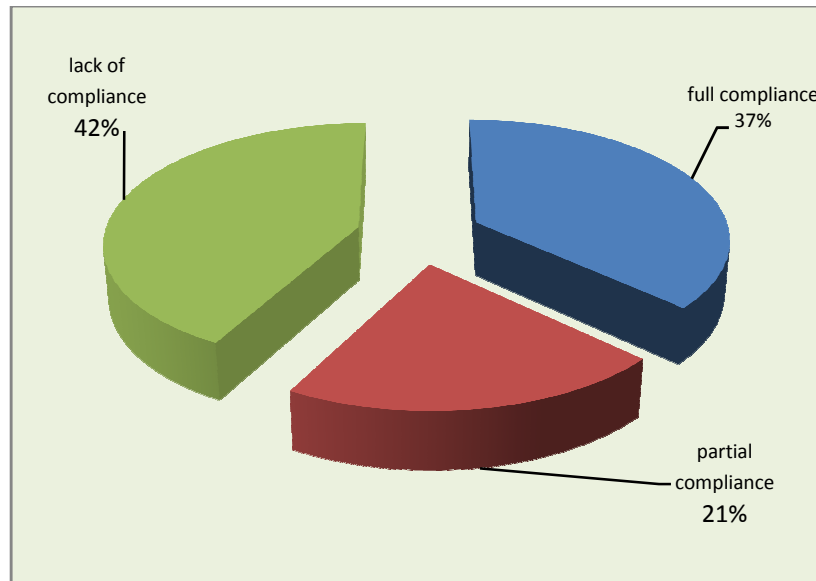
- the provision of multinationals information systems;
- validation of accounting information in the national accounting system;
- creating a system of financial indicators compatible internationally accessible by all states.

In this context, national accounting systems need to adjust their own rules to international and or to adopt certain amendments so as to achieve an effective exchange of financial information.

2. Empirical Study on the compliance of national rules with EU directives and international accounting standards.

While European alignment with the requirements of the conceptual framework of the IASB is achieved since 2002 in the spirit of the Regulation on the application of international accounting standards, national harmonization (within the meaning of alignment) accounting rules Romanian European Directives and international accounting standards was and is achieved through ordinances and orders by the minister.

To see if there was an alignment between national rules with European and international, we conducted a comparative study of IFRS - Directive 34/2013 - 1802/2014 OMPF under which, taking into account assessments made in terms of overall compliance, compliance partial lack of conformity, as shown in Figure no.1., we see that we can speak of a convergence of approximation theory and practice of accounting, especially in accounting, but no harmonization within the meaning of conformity for perfect alignment globally.



Source : author

Fig. 1. Synoptic picture of the internationalization and globalization of accounting

For a more detailed analysis we considered the three referential variables to which I referred and I have a score on a scale of 0 to 10 (Table. 1) using the following mathematical notation:

- A - IFRS international reference;
- B - European Directive 34/2013 referential;
- C - National referential OMPF 1802/2014.

Table. 1. The tableau marks awarded by compliance of referential

Assumption	Score	Assumption	Score
Dacă A=B=C	10	Dacă A≠B≠C	0
Dacă A=B	9	Dacă A≠B	1
Dacă A=C	8	Dacă A≠C	2
Dacă B=C	7	Dacă B≠C	3

Source : author

The grading system used is inspired by the method of scoring, the model variant "AG" used to analyze the viability of the firm with a average grades based on specific criteria and a system of coefficients of some importance.

The model consists of new notes which are based on eight marks, on the one hand, compliance (grades 7 to 10), on the other hand, the lack of conformity (scores of 0 to 3). In this way we eliminated the minimum level of compliance, the maximum level of lack of conformity and the average rating scale.

Statistically speaking, we used quantitative study of the correlation between two variables using Pearson correlation coefficient using the menu-Analyze-Related Bivariate of SPSS 20.0.

a) Correlation IFRS - CEE Directive 34/2013 to emphasize a direct and significant intensity, as seen in picture no correlation. 2.

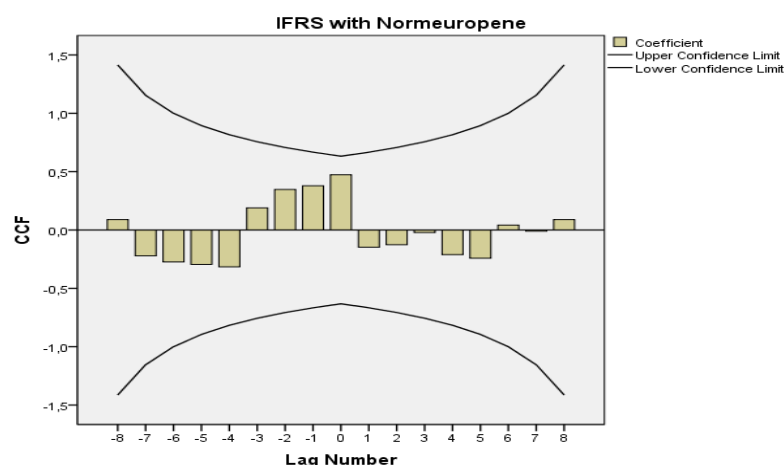
Table. 2. IFRS picture correlation - the CEE Directive 34/2013

		Correlations	
		IFRS	Normeuropene
IFRS	Pearson Correlation	1	,600*
	Sig. (2-tailed)		,030
	N	14	13
Normeuropene	Pearson Correlation	,600*	1
	Sig. (2-tailed)	,030	
	N	13	16

*. Correlation is significant at the 0.05 level (2-tailed).

Source: author

Reach the same conclusion if we use the analysis and cross (cross correlation), as shown in the graph shown in Figure 2, the highest value (mode) of the correlation coefficients being a lead / lag different from 0.



Source: author

Fig. 2. Correlation cross IFRS - Directive 34/2013 CEE

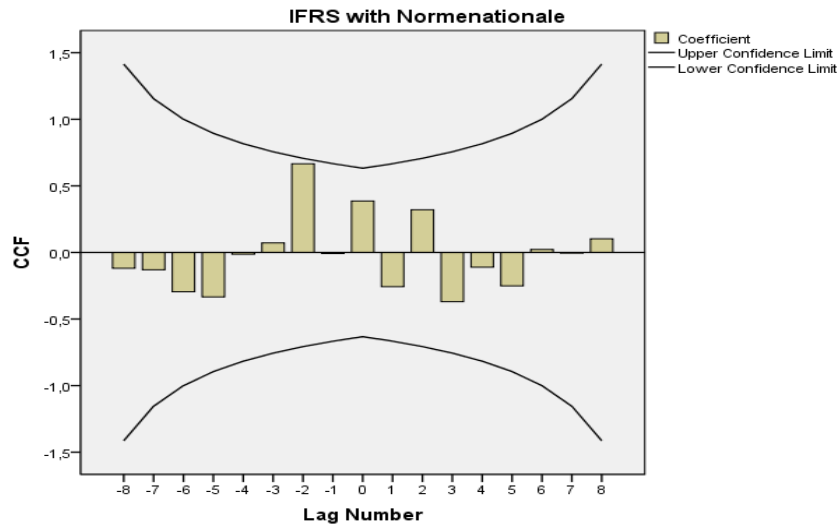
b) Correlation IFRS - national rules OMPF 1802/2014 points out a direct link, but low intensity (Table. 3.)

Table. 3. The picture correlation IFRS - OMPF 1802/2014

		Correlations	
		IFRS	Normenational e
IFRS	Pearson Correlation	1	,474
	Sig. (2-tailed)		,141
	N	14	11
Normenationale	Pearson Correlation	,474	1
	Sig. (2-tailed)	,141	
	N	11	14

Source: author

Cross-correlation (Fig. 4) although it reveals a cyclical movement and a lead / lag zero, but something closer to zero than in the previous correlation, suggests that OMPF 1802/2014 is more delayed than the IFRS Directive IV he CEE.



Source: author

Fig. 4. Cross-Correlation IFRS - OMPF 1802/2014

c) Why use the phrase "accounting regulations in accordance with Directive 34/2013" standardizes itself specifies that "These regulations partially transposing the provisions of Directive 2013/34 / EU of the European Parliament ..."

This we can see from the picture correlation Directive 34/2013 - 1802/2014 OMPF the coefficient of Pearson shows a direct link with the intensity and the largest of the three analyzed correlations, but shows us a line, word which can be replaced with identity, but we can talk about convergence since both rules are heading towards the same point. This can be seen from Table. 4.

Table. 4. Picture correlation Directive 34/2013 - 1802/2014 OMPF

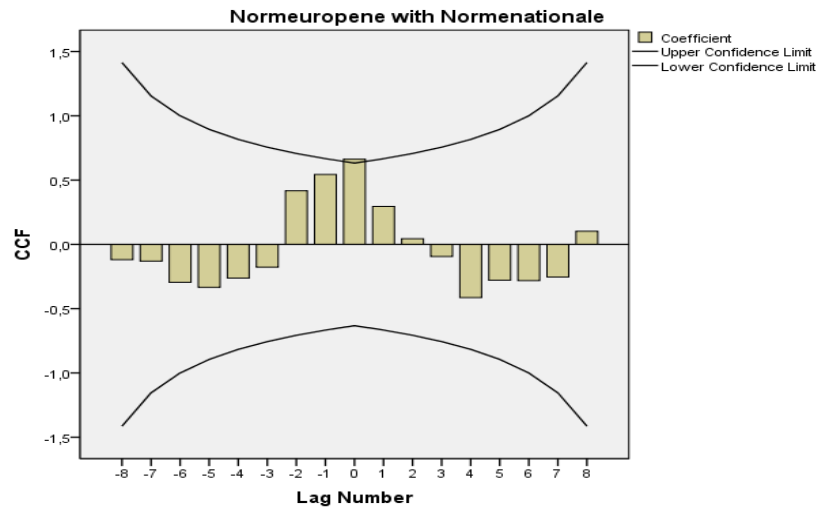
		Correlations	
		Normeuropene	Normenationale
Normeuropene	Pearson Correlation	1	,754**
	Sig. (2-tailed)		,003
	N	16	13
Normenationale	Pearson Correlation	,754**	1
	Sig. (2-tailed)	,003	
	N	13	14

** . Correlation is significant at the 0.01 level (2-tailed).

Source: author

In support of this conclusion we analyzed cross-correlation (Fig. 5) which notes that the amount of lead / lag zero is closest to zero which

indicates that the delay of national rules is a shorter distance from the Europe.



Source: author

Fig. 5. Cross-Correlation Directive 34/2013 - 1802/2014 OMPF

Univariate statistical analysis and / or multivariate data is quite extensive and diversified so it is necessary to know in detail the methods, techniques and procedures to choose those that are more relevant analysis for research purposes.

Structural equation model are based on statistical models of causality and are intended to confirm theoretical models describing relations (covariances) between variables.

Using SPSS AMOS intuitive graphical editor in Fig. 6. Introducing links between variables measured.

Of course comparative analysis of the three conceptual frameworks discussed accounting can continue bringing into question the accounting treatments described in the application guide to OMPF 1802/2014 but we have not proposed an exhaustive treatment.

Even if in an attempt to align Directive 34/2013 not to mention two directives and therefore time text presents a unique content which will retrieve multiple transpositions of international accounting standards, stick to the conclusion drawn above, namely that there are steps to be done before we can talk of applying the same accounting rules by any entity in any other corner of the world.

Globalization is quite controversial, both nationally and internationally.

Mircea Cosa (2016) by the statement that "2015 was very interesting in terms of the global economy, highlighting the more salient than in previous years trend of significant changes in the patterns of development" expresses the view that a more careful Trends which manifests itself lead to a paradigm shift globalized economy.

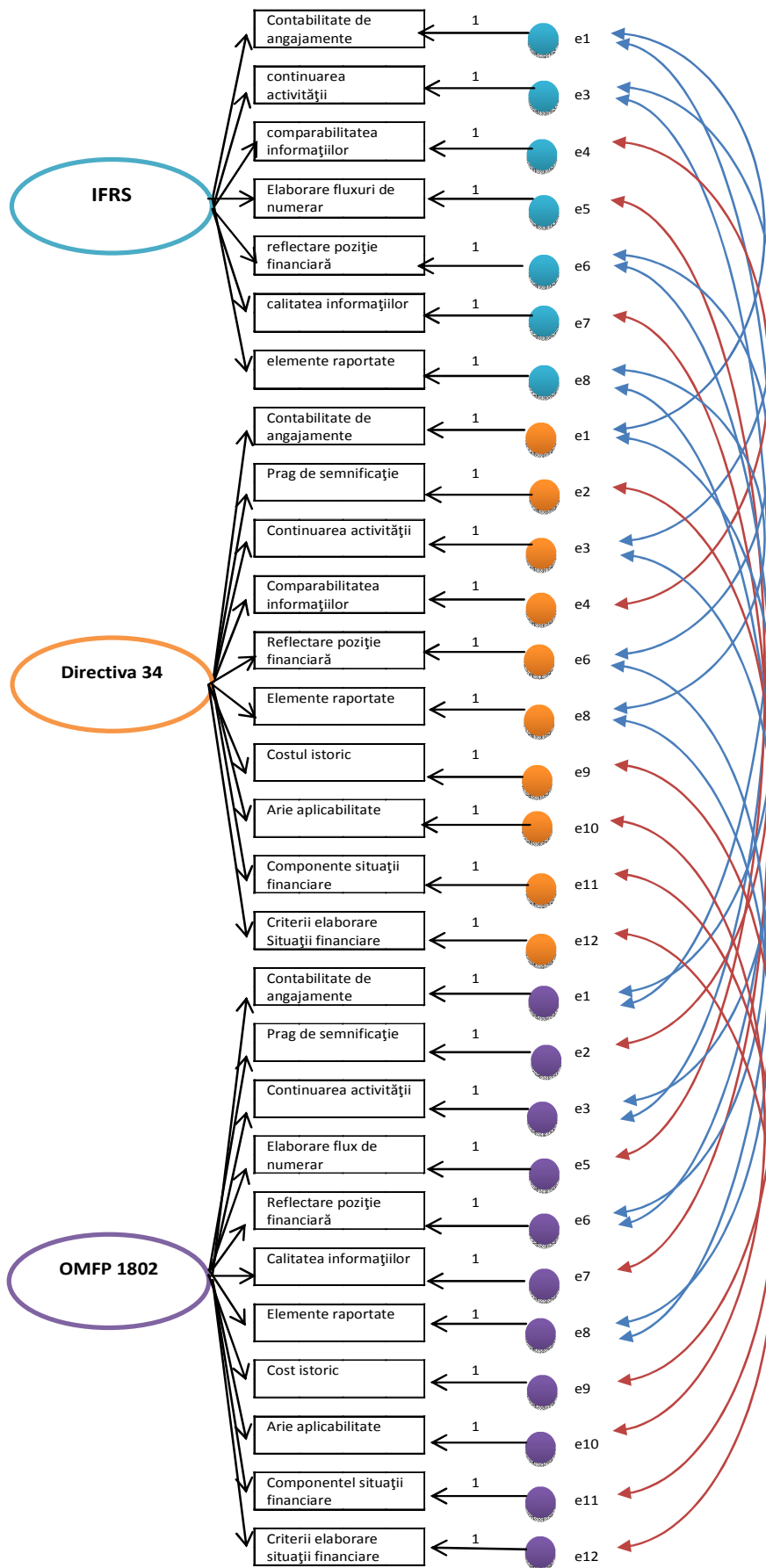


Fig. 6. Viability test of the degree of correlation between variables measured

And how globalization is a reality of the contemporary world, it means more than just trade relations, now the watchword for most accounting specialists from all over the world is the "internationalization" in such a formula that can speak, in spite of excessive wording on international accounts.

3. Conclusions

Weighing EU regulations vs. international accounting regulations state that until 2000 there was no unity regarding ways to mitigate disagreements information generated by different accounting practices.

Early third millennium coincides with the start of a process of reconciling the differences between vision emerged from accounting European accounting regulations and international optics.

Statistical analysis performed emphasize how European and national legislation was aligned with accounting and international reference framework, namely:

- European legislation is generally converging accounting framework and international reference, but you can not appreciate that it conforms;
- national legislation complies with European directives (which became in 2013 a single directive with effect from 1 January 2016), even if there are some deviations option directive on data provision Member States requiring the road 25;
- accounting principles underlying the financial statements are rooted in international reference more than in the fourth Directive hardly embraced the idea of convergence with international accounting standards IAS / IFRS.

The conclusion we reached is that using the phrase "compliance Romanian accounting with European directives and the International Financial Reporting Standards (IFRS)" is defective because, as I said, we can speak of a certain degree of compliance with the European directive but we can not talk about compliance, either directly or indirectly, with international reference, fund accounting principles in establishing "rules of the game".

So now the watchword for most accounting specialists from all over the world is the "internationalization" in such a formula that can speak despite the excessiveness of the wording on international accounts.

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