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IDENTIFYING ACCOUNTING INFORMATION NEEDS AND SOURCES WITHIN ORGANIZATIONS

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Abstract: *To gain strength in a constantly changing economy, organizations must have a high-performance information system that allows them a detailed knowledge of the situation in which they find themselves. The value of accounting information depends on the relevance it has in the decision-making process. Moreover, it is required that the users show their interest in requesting the necessary information and the information providers have the ability to provide what is requested in accordance with the quality requirements. For these reasons, the research is structured in two parts, namely the identification of information needs and sources from the perspective of accounting practice and the opinions of the respondents who formed the research sample.*

Keywords: information needs, information sources, accounting, financial, management

1. Introduction

In the context where "information is the keystone of power" (Victor Duță) [1], we believe that implementing strategies and achieving objectives requires much more than simply making decisions. Decisions need to be informed and it is the information system that provides the necessary 'raw material'. The value of accounting information depends on its relevance to the decision-making process [2]. But for accounting information to prove its usefulness, it must first of all meet the quality requirements. Thus, the information provided primarily through financial statements must comply with the quality standards imposed by national [3], [4] and international [5] regulations: "relevance, materiality, faithful representation (complete, neutral and free from error)". In addition, potential users of the information need to show an interest in requesting the necessary information and information providers need to be able to provide what is requested in accordance with quality requirements.

2. Accounting Information Needs and Sources

For analysis to be useful in decision-making, it should not be based solely on internal accounting information. Analyses based on both financial and accounting information requested from partners and other external sources of information are needed. Accounting practice has shown that accounting information needs and sources are diverse. For these reasons, the paper presents a user-based approach to them, mainly based on information from interviews and practice.

a. Managers / Administrators / Staff responsible for carrying out management functions

- Information needs. Whether we are talking about forecasting, strategy, financing,

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investment, dividend, cost, price, reward, productivity, control, valuation, etc., each of these requires accounting information to be used to support management decisions involving the calculation and analysis of costs, the analysis of the dynamics and structure of turnover, expenditure and results, the identification of unpaid debts or uncollected receivables, the calculation and analysis of basic financial indicators such as liquidity, profitability, solvency, business management, structure of assets, liabilities, capital, etc. Staff responsible for carrying out management functions are interested in obtaining information on costs, stocks, compliance with the budget, results achieved, etc.

- Information sources. Processed sources: are represented by the totality of the information provided by the accounting duality, with unrestricted access. External sources of information: information requested from trading partners (customer file, supplier file, statements on receipts and payments, stock situation, balance confirmations, annual financial statements, etc.), information requested from state bodies (summary file), information posted on the websites of public institutions.

b. Potential investitors

- Information needs. What is sought through the analysis of accounting information supports them in identifying and assessing risks to inform the investment decision [6] by choosing the opportune moments to trade the shares, and they manifest their need for information in the area of profitability [7].
- Information sources. Processed sources [8] [9]: mandatory registers, trial balance - depending on availability of information provider. Sources of summary accounting information: annual financial statements, tax returns.

c. Existing investors

- Information needs. Most often information needs are in the area of returns, dividends, and risk. Thus, shareholders are mainly interested in profit and business growth, and their interest is directly related to their goal of obtaining dividends. A particular interest lies in monitoring management to ensure that the performance indicators for which management contracts have been concluded are met [10], that the information presented complies with quality standards or to avoid fraud, thus calling on financial auditing.
- Information sources. Processed sources: mandatory registers, trial balance, other information generated by financial accounting depending on the availability of the information provider. Sources of summary accounting information: annual financial statements, half-yearly financial reports, activity/management report.

d. Financial creditors

- Information needs. Monitoring the organisation's ability to create a positive accounting result, determining liquidity and solvency risks, indebtedness, etc.
- Information sources. Processed sources: inventory statement, fixed assets statement, receivables statement with breakdown of due dates, payables statement with breakdown of due dates, fixed assets statement with breakdown of depreciation period, trial balances, other information generated by financial accounting. Sources of summary accounting information: annual financial statements, half-yearly financial reports.

e. Commercial partners

- Information needs relate to business continuity, testing the intention to continue partnership relationships, information to analyse the organisation's ability to pay its debts, inventory information, etc.
- Information sources. Processed sources: partner's file, stock statements, balance confirmations and other information depending on the availability of the information provider. Sources of summary accounting information: annual financial statements, half-yearly financial reports.

f. Public authorities

- Information needs. Unfortunately,

interest in taxation and compliance with specific regulations is noted. Information needs may also derive from the state's status as a shareholder, customer or supplier to the entities providing the information, in which case information needs are identified through these categories.

- Information sources. Primary and processed sources: any documents and information provided through financial accounting in the case of an audit. Sources of summary accounting information: annual / half-yearly financial statements, tax returns.

g. Employees

- Information needs. They are mainly generated through job security, with a predominant interest in knowing the outcome. Accounting information can also be used to negotiate clauses of the collective labour agreement, and may concern voluntary pensions, health insurance, training programmes, compensatory wages, etc.
- Information sources. Usually, sources of summary accounting information: annual/half-yearly financial statements.

h. Public

- Information needs. Financial analysts may be interested in indicators expressed, for example, by the level of turnover, operating expenses, etc. in order to estimate the trend of the business and share price. The judiciary [2] may be interested in the preparation and recording of documents, publication of information concerning results, etc.
- Information sources. Usually, sources of summary accounting information: annual/half-yearly financial statements.

In conclusion, it is obvious that the demand for accounting information is manifested through a diversity of users, each with their own information needs and more or less limited possibilities for obtaining information. We believe that it is particularly important for the accounting information to prove its usefulness, to be transmitted to those who request it. Many times there is a reluctance to transmit, perhaps out of ignorance or perhaps out of fear of jeopardizing the organization's situation. The real-time and complete access (except for confidential / internal information) to the accounting information allows the adaptability of the management to the requirements, thus ensuring future development possibilities. What matters, however, is the ability to interpret, substantiate, manage and control based on accounting information. Napoleon Bonaparte's opinion is remarkable in this sense, who appreciated that "exact information, held at the right time, ensures 99% of the victory of any battle" [11].

3. Research Methodology

The methodology is based on a selective research conducted on a valid sample of 301 organizations, the objectives, hypotheses and variables being presented in Table 1.

Table 1 Objectives, hypotheses and variables of the research

Main objective (Q)	Main hypothesis (IP)
Q_1 Identification of accounting information needs and sources	IP1 – Most organizations request accounting information from partners, the main reason being inventory.
	IP2 – Most organizations request accounting information from partners, the main reason being inventory.
Variable 1. As an external user, has your organization requested accounting information from partners? *Variable 2.* Do you use the following external sources of accounting information? (from 1 never, to 5	

always) *Variable 3* Do you consider the following external sources of accounting information useful to management? (from 1 to a very small extent, to 5 to a very large extent)

4. Research Results and Conclusions

In the context that partnership relationships between organisations are also based on the exchange of information, we formulated in the questionnaire the operational variable v1 through which we aimed *to identify whether organisations ask partners for accounting information and the reasons for doing so.* The answers obtained are presented in Tables 2 to 4.

Table 2 Organisations request accounting information from partners

	Percent	Valid percent
Yes	87,04	87,04
No	12,96	12,96

Table 3 Reasons for requesting accounting information from partners

Valid = 262	Valid percent
a. knowing the financial position of the partner is very important	33,59
b. knowing the financial performance of the partner is very important	33,59
c. transparency is a criterion for concluding a partnership	42,75
d. trust in the partner	59,92
e. to obtain evidence in a litigation	15,65
f. for inventory	91,98

Table 4 Reasons for not requesting accounting information from partners

Valid = 39	Valid percent
a. we were not interested	84,62
b. we trust our partners	46,15
c. reluctance to provide accounting information	74,36
d. there is a risk of losing partners from whom we request information	41,03

We note that the majority of responding organisations (87,04%) request accounting information from partners. The highest proportion of those requesting accounting information from partners (91.98%) say that the reason is *the need for inventory*. It is true that the use of accounting information through inventorying generates managerial opportunities, which are certainly useful, but we must take into account the provisions of OMFP 2861/2009 [12] which make inventorying mandatory for the preparation of financial statements and the presentation of the financial position and performance, in conjunction with the Accounting Law no. 82/1991 republished [13] which makes it mandatory at least annually to inventory assets, liabilities and equity. If requests for accounting information are made solely in order to meet these requirements. we consider that the opportunities for their use and usefulness are considerably reduced. We believe that this option was targeted by many respondents precisely because of the legal regulations - the obligation to carry out an annual inventory, thus reducing its managerial usefulness.

The accounting information is also requested because *it contributes to building trust in partners*. This situation represents a positive aspect from a managerial perspective, proving that people with management responsibilities are aware of the risks that may arise by concluding contracts with potential clients or suppliers without first studying their financial situation.

Transparency, with a percentage of 42,75% in the respondents' choices, represents another reason for requesting information. There are organizations that are aware of the fact that if a partner shows transparency in information, partnership relations proceed normally and efficiently.

Lower weights were highlighted for the *intention to analyze the financial position and performance* (33,59%), which we believe proves either the ignorance of these possibilities of capitalizing on accounting information and the opportunities they offer to management, or a lack of interest in in this sense, in the idea that the specific indicators are based on past information and the past cannot be changed. However, it must be emphasized that, despite the fact that the indicators are established on the basis of past information, they prove their usefulness by establishing the future directions of collaboration.

In the "other reasons" category, respondents also identified and mentioned the need for accounting information for inventory management, supplier and customer management, financial planning.

Regarding the reasons for not requesting accounting information from partners, of the total number of "no" respondents, the majority stated either that they were not interested (84,62%) or that partners were not willing to provide accounting information (74,36%). It is regrettable that such statements appear, but we nevertheless consider that their proportion is low.

On the basis of the conclusions drawn, hypothesis *IP1 is validated.*

The professional accountant is not the only person who needs to be informed. This is also the manager's job, at least before carrying out unusual transactions. Thus, we collected data on the use of external sources of accounting information and their usefulness in management (Table 5 and 6).

Table 5 External sources of accounting information used

Surse	1	2	3	4	5	*Total %*
a. Information available on the websites of the National Agency of Fiscal Administration, Ministry of Finance						
Percent %	*0,66*	*4,65*	*28,90*	*50,50*	*15,28*	*100,00*
Scor = 3,75						
b. Information available on the websites of professional bodies						
Percent %	*12,96*	*65,12*	*19,93*	*1,99*	*0,00*	*100,00*
Scor = 2,11						
c. Information available on the websites of the National Institute of Statistics, Regional Directorates of Statistics etc.						
Percent %	*25,91*	*55,81*	*18,27*	*0,00*	*0,00*	*100,00*
Scor = 1,92						
d. Information available on other specialised websites						
Percent %	*0,00*	*5,32*	*10,30*	*33,55*	*50,83*	*100,00*
Scor = 4,30						
e. Regulations						
Percent %	*0,00*	*0,00*	*9,30*	*17,61*	*73,09*	*100,00*
Scor = 4,64						
f. Journals, books, studies, etc.						
Percent %	*11,96*	*13,95*	*61,46*	*9,97*	*2,66*	*100,00*
Scor = 2,77						

Table 6 External sources of accounting information are useful

Surse	1	2	3	4	5	*Total %*
a. Information available on the websites of the National Agency of Fiscal Administration, Ministry of Finance						
Percent %	*9,30*	*16,28*	*54,15*	*17,61*	*2,66*	*100,00*
Scor = 2,88						

b. Information available on the websites of professional bodies						
Percent %	*55,48*	*41,53*	*2,99*	*0,00*	*0,00*	*100,00*
Scor = 1,48						
c. Information available on the websites of the National Institute of Statistics, Regional Directorates of Statistics etc.						
Procent %	*86,05*	*13,95*	*0,00*	*0,00*	*0,00*	*100,00*
Scor = 1,14						
d. Information available on other specialised websites						
Percent %	*0,00*	*6,98*	*10,63*	*17,61*	*64,78*	*100,00*
Scor = 4,40						
e. Regulations						
Percent %	*6,98*	*13,95*	*55,81*	*18,94*	*4,32*	*100,00*
Scor = 3,00						
f. Journals, books, studies, etc.						
Percent %	*21,59*	*29,24*	*34,22*	*12,62*	*2,33*	*100,00*
Scor = 2,45						

As expected, we note that regulations are the most used external sources of information, but at the same time their degree of utility is considered to be neutral. We support this opinion because the first source of information from the perspective of accounting is indeed the legislation, but in the conditions where it is permanently modified and/or supplemented and the updated versions are not available on the web pages of the specialized institutions (as would be normal), actual use may become limiting.

The information posted on other specialized web pages (examples: www.conta.ro www.contabilul.manager.ro, www.legestart.ro, www.portalmonografiicontabile.ro, www.contzilla.ro etc.) are frequently used (score 4,30) by the respondents, being considered to a great extent useful to the management (score of 4,40 – the highest score from the set of options).

Given that the website of the National Agency of Fiscal Administration should be the first option in external sources of accounting information, we note that based on a score of 3,75 it is frequently used, but the score value is close to the "sometimes" option .

From the perspective of capitalization opportunities, the information provided by ANAF through the web page is not considered to be too useful for management, the score obtained being 2,88. We believe that the information published through the two web pages has an informative role, especially with reference to the state of an entity, specific registers, forms, but the role of guiding taxpayers is limited. It is true, however, that periodically various guides are published for specific users or online training sessions are organized but, unfortunately, these are often a legislative synthesis without what is most important – practical guidance, cases.

Institutions such as CECCAR, INS, DRS, through the related information pages, find the lowest frequency and use of information (scores of 2,11 and 1,92, respectively).

Following the conclusions, *we validate the hypothesis I2*.

5. Final Conclusions. Future Research Directions

The main objective of the research was to identify the needs and sources of accounting information based on the premise that accounting information is one of the pillars that support the information system of organizations, which creates the framework for building coherent and efficient policies and strategies. Thus, there is a permanent need to improve accounting activity, accounting as a component of the information system. We advise managers to bear in mind that “business opportunities are like buses, there's always another one coming” (Richard Branson) [14].

How many of us, as accounting professionals, have not encountered difficulties or raised questions in the case of accounting monographs, the calculation of taxes, VAT system, the verification of partners from the perspective of business continuity as well as other matters. Such situations have major implications for the organization and, to solve them, informational sources are more than necessary.

We propose as a future direction of research to identify a more detailed analysis regarding the opinions of users of accounting information regarding public sources of information.

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