

Analytical Framework for Financial Control by Implementing Accounting Information System

The globalization of the economy and information systems is an argument in favor of developing managerial systems that efficiently manage the flows of information and documents, ensure transparency, highlight the changes that occur in the structure and dynamics of business globally. At the same time, by increasing the level of computerization of the economy, as a result of the transition from the old economy to the new economy, the information flows, the data set, become resources whose optimization leads to increased competitiveness and obtaining added value at product and market level. Modern management methods consider the adaptability of the control system to the conditions of the new economy, through the adaptability of control methods and techniques, the identification of indicator systems to operationalize accounting functions.

Keywords: Financial control, system, accounting, performance, financial management

Introduction

The provision of financial data to businesses, which will enable them to make the best decisions possible while using the least amount of financial resources and an acceptable risk coefficient, is the general purpose of the financial information system. Inputs, outputs, tools and methods for obtaining and maximizing performance, implementation methodology, and adaptability to states and circumstances produced by the particular conditions of usage are all included in the analysis of the IT system. The inputs to the system, i.e., data and information, ought to include a high degree of relevance in terms of the intended purpose so as to perform at a level considered optimal. Outflows generated by the system include accounting reports, capital budget operation reports, working capital reports, cash flow forecast and various analysis reports. The evaluation of financial data can be achieved through report analysis, trend assessment and financial planning modelling. Financial planning and forecasting shall be facilitated where they are used in conjunction with a decision support system (Ameen & Ahmad, 2011).

Establishing forms of financial control over the financial information system is aimed at establishing the foundation for actions that will converge to achieve performance under conditions of increased efficiency, which will aid users in working more productively, getting the information they require to make decisions rapidly, and integrating effectively with other IT programs that support the decision-making process.

Literature Review

For more than 20 years, the management agenda has been dominated by the information system used for the implementation of financial control. According to Bulgacs S.'s (2013) statement, any information system is meant to support certain operations through management and decision-making. According to Kroenke (2008) an information system is a type of information and communication technology (ICT) that supports the commercial business activities of those who use it.

The information system currently includes a component of information and communication technology (ICT), but this is not a concern, with the system focusing mainly on the final use of this information. O'Brien (2003) considers that the role of the information system is different in the business process, helping more to control performance in business environments.

The computer system supports the advantages of visualization as a special type of work system. A work system is a system in which people or machines perform processes and activities, using resources to produce customer-specific products or services. The computer system is a work system whose activities are dedicated to capturing, transmitting, storing, retrieving, manipulating and displaying information, according to Alter S. (2006).

A computer system is a form of a communication system in which data is processed as a form of social memory. A computer system can also be considered a semi-formal language that supports human decision-making and action. The computer system emphasizes a study of computer organization, according to Beynon Davies P. (2009).

There are different types of information systems, for example: transaction processing systems, decision support systems, knowledge management systems, learning management systems, database management systems, information and office systems. Critical information systems are information technologies, which are usually designed to allow people to perform tasks for which the human brain is not suitable (such as handling large amounts of information, performing complex calculations, and controlling multiple simultaneous processes).

Information technology is a very important and malleable resource available to managers, as presented by Rocket et al. (1996). Many companies have created a position as Chief information Officer (CIO), serving on the executive board together with Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO) and Chief Technical Officer (CTO). CTO can serve as CIO (Chief information Officer), and vice versa. The Chief information Officer (CISO) focuses on information security management.

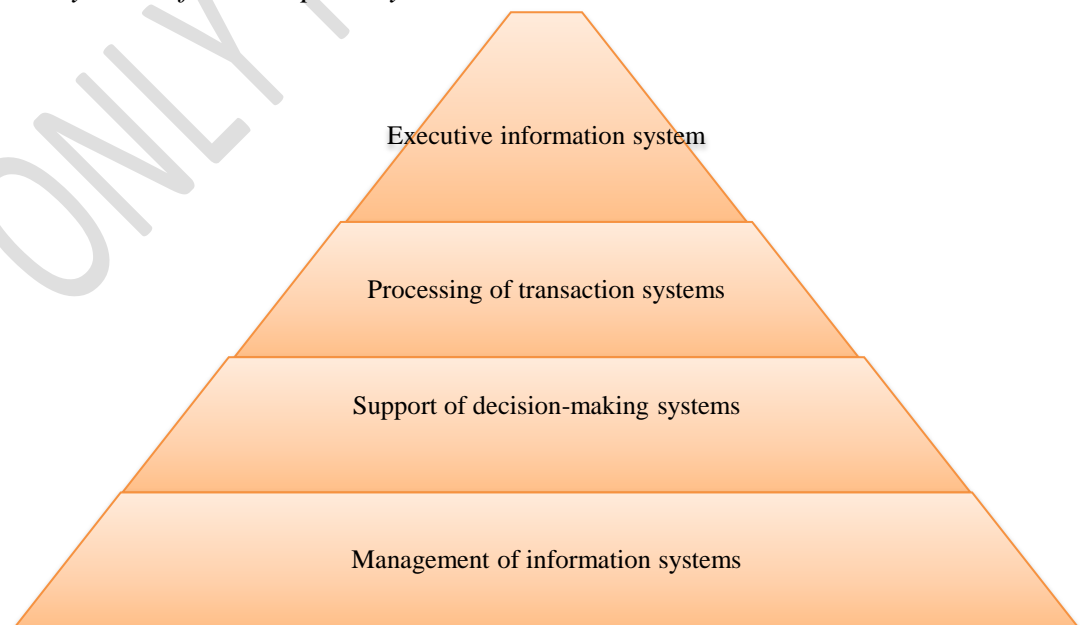
In order to produce a computer system, six components are required, as follows:

- 1) **Hardware** - refers to the computer itself. This category includes the computer itself, which is often referred to as the central processing unit (CPU), along with all its supporting equipment. Among the supporting equipment of the central processing unit are input and output devices, storage devices and communication devices.
- 2) **Software** - this term refers to computer programs and manuals that support it. Computer programs are machine-readable instructions that drive the circuits

- 1 into the hardware parts of the system to work in a way that produces useful
 2 data information. Programs are generally stored on some input or output
 3 media, often on a disc or tape.
- 4 3) **Data** are facts used by programs to produce useful information. Through
 5 programs, data is generally stored in the legible form of machines on disk or
 6 tape until the computer needs them.
- 7 4) **Procedures** are the policies governing the operation of a computer system.
 8 "Procedures are software or hardware for humans" is a common analogy that
 9 is used to illustrate the role of procedures in a system.
- 10 5) **People** - Every system needs people, where they can be useful. Often the
 11 most important element of the system is man, probably the component that
 12 influences the success or failure of information systems. These include not
 13 only users, but also operate in computer service, supporting data and
 14 supporting the computer network.
- 15 6) **Feedback** is another component of the information system, which defines that
 16 it can be foreseen as feedback, defined as an inverse connection in cyber
 17 systems to maintain their stability and balance from outside influences.

18
 19 Since the 1980's, the computer system has been designed as a pyramid of
 20 systems that reflect the hierarchy of the organization, as follows: a transaction
 21 processing system at the bottom of the pyramid, followed by a management
 22 information system, a support system decision, ending with an executive
 23 information system at the top. Although the pyramid model remains useful, it has
 24 developed a number of new technologies and categories of information systems
 25 that have emerged over time, some of which no longer fit easily into the original
 26 pyramid model (Figure 1).

27
 28 **Figure 1. Pyramid of the Computer System**



29 Source: Authors, based on (Giaglis, 1999)
 30

This pyramid's examination shows that the topic of information systems covers a wide range of challenges, including analysis and design structures, computer networks and information security, database administration, and decision support systems. By gathering and analyzing data in a business-oriented area, including business productivity tools, application programs, e-commerce, digital media production, data mining, and decision-making assistance, this fundamental field deals with the management of information in both operational and theoretical aspects (Giaglis, 1999).

The research and analysis of computers and algorithmic processes, including their core ideas, software, visual representations, and hardware models, as well as their real-world uses and effects on the organization, is commonly referred to as the computer information system (CIS) (Polack, 2009).

According to all analyses, researchers have debated about the origins and nature of information systems that have evolved in various fields of study, including computers, engineering, mathematics, management, cybernetics, and other domains (Culnan, 1987). The information system can be defined as a collection of hardware, software, data, people, and procedures that work together to produce quality information.

Methodology – Setting Up an Algorithm for Managing Financial Analysis

We have also set up an information system that allows access to all information within the entity, facilitating the way of financial control, based on the WorldCom and Lehman Brothers models. The General Register (GR), which may be accessible at the following contact address, serves as the foundation for the approach we wish to implement: <http://esn.ucdc.ro/test/adaugaf.php>.

Through this register, the acquisition and implementation of an integrated IT system of GR type is aimed at managing and carrying out the integrated tracking of the following economic processes: management of the relationship with customers, management of the relationship with suppliers, complete management of sales, complete management of supply and the stock, thus favouring the internal or external control activity.

The GR type solution must be a high-performance management solution at the entity level and offer users an intuitive experience, simplifying its adoption by the company's employees and easing the control procedure.

The integrated information system shall fulfil the following general characteristics:

- to have or develop specialized functionalities on types of industry in accordance with the development directions of the beneficiary, other than those contained in the standard version, which can be natively integrated with the implemented GR system upon request.
- ensure the possibility of using more coins.
- ensure a native integration of system functionalities.

- 1 • allow both the history view, i.e., the tracking of changes and by whom they
- 2 were operated.
- 3 • provide the interface in Romanian and English.
- 4 • to be adapted to the Romanian legislation.
- 5 • ensure that the number of users is increased.
- 6 • to allow the automation of receipts and payments through the bank.
- 7 • allow ease of use of the system and access to data without the need for
- 8 disconnection and reconnection to the system.
- 9 • ensure the integrity and confidentiality of the data.
- 10 • allow the archiving of data.
- 11 • allow the import and export of data from other systems.
- 12 • have advanced analytics functionality based on personalized roles and
- 13 reports.
- 14 • documents issued from the system must be able to export them in electronic
- 15 document in word, html, xls, etc. format.
- 16 • manage real-time information about costs, revenues and stocks, etc.
- 17 • solve current priority problems, but also provide the possibility to easily
- 18 expand functionalities in the future.
- 19 • provide an intuitive and interactive interface to ensure employee efficiency.
- 20 • provide a predictable total operating cost.
- 21 • be easily adapted to new business processes and aligned with global
- 22 business models.
- 23 • the system shall have a well-defined mechanism for detailed monitoring of
- 24 the system performance.
- 25 • the authorization system must be granular enough to be able to grant
- 26 detailed authorizations on objects or actions and flexible enough to make
- 27 subsequent changes and improvements to authorizations.
- 28 • it must be possible for the customer to connect to the system outside the
- 29 company network with a high degree of security (data encryption).
- 30 • the system access mode must have a high degree of portability, either
- 31 through a client available on multiple platforms (Windows, Linux,
- 32 smartphone, etc.) or through the browser.
- 33 • there must be an integrated development environment in its connected
- 34 system that allows for improvements or special changes to be made for the
- 35 customer in the most uniform way and in line with the development of
- 36 technology at market level.

37
38 *The IT system shall ensure that actual individual transactions can be verified*
39 *at any time by real-time processing by displaying original documents, individual*
40 *positions and transaction figures at different levels such as account cards, lists of*
41 *documents, balance/turnover or transaction reports and result of the exercise,*
42 *profit and loss, etc.*

43 The information system shall allow the most common types of records, such
44 as registration of general accounting documents on the account, display of the
45 document log, displaying balances on accounts, templates for the accounting notes
46 (which can be created for use at any time thereafter). Also, the system should

include features such as performing periodic inflows (periodic accounting notes, e.g., rents, insurance, etc.), automatic and manual compensation of documents managed in the form of obligation vs. payment, providing a comprehensive picture of external accounts, ensuring that the accounting data is always complete and accurate, ensuring transparency of the profit and loss situation of the entity's business areas and real-time evaluation and reporting of current accounting data.

By implementing such a system, businesses might be able to accurately account for costs associated with their manufacturing and sales processes, produce financial statements with multiple versions and additional analysis that complies with current regulations, or check at any time the precise individual records processed in real time. The user's ability to define reports could also be improved by using the current database, based on a report generator within the information system, instead of third-party, by integrating all data produced by the financial-accounting flow, with analytical reference to the content of documents, regardless of form or destination, and by obtaining the necessary data to make real-time cash-flow projections for future periods based on known or estimated data (Tilea, 2021).

Decision making would be based on features like allowing *the generation*, at any time, *of mandatory predefined reports*, in accordance with the legal provisions, *the calculation, analysis and periodic updating* of the standard price of products and comparison between actual and planned costs for the cost centre. The execution could be setup in several currencies (ROL, USD, EURO, etc.) for the financial records and the online tracking of all debts and debts, regardless of their nature (payments / receipts, suppliers / clients, their distribution on invoices but also on complementary documents, respectively distribution on internal / external invoices, etc.) would be really helpful.

Also, within the system, more common features would be available, such as:

- enable direct generation of balance sheet reports – RAS or IAS (asset statement, profit and loss, cash flow, etc.) – at any time,
- enable the tracking of receipts, respectively of advance payments – registrations and closures, allow suppliers and customers to be classified according to multiple criteria, allow the monograph to be defined for automatic accounting records.
- ensure that cost center planning is reviewed and completed (analytical costs, statistical indicators, evaluations).
- enable the tracking of planned and actual project costs for various purposes, such as cost control, return on investment calculations, tax reporting, etc.

The information system shall provide general complementing functionalities, such as configurable workflow mechanisms, a search engine capable of performing multiple searches according to different parameters, generation of transport orders with special fields (loading time, unloading time, loading and unloading location, GPS addresses and coordinates, cargo details - type, weight, volume, value, other indications, etc. -, the reference of sales and supply orders related to the transport order). Also, the system must *verify* the registration number

(VAT) when creating each partner file, whether within Romania, the EU, or outside the EU and *have* a register of documents (inputs/outputs and internal), in which to keep all documents within the company, except the documents generated by the system which have their own tracking mode and purchase invoices, and an automatic generated number for each document, according to the document's category status.

Other functionalities should refer to the ability of setting a billing currency calculation policy for each customer, daily currency automation with the value communicated by the National Bank of Romania, multiple validations in thresholds, depending on the value and the position held within the company, pop-up or email alerts for different functionalities. It was also found the necessity of the existence of some characteristics that refer to automating the transmission of emails with payment information to customers, cascading according to certain criteria such as: warning that payment is coming, warning that the maturity has been reached, warning that the maturity has been exceeded, etc., automation of emails to suppliers warning them that the date on which the goods must be delivered is delayed and pop-up or email notification of the user responsible for the purchase to check the status of the order, calculated at a term "n-x" days.

All functions of the GR system must be integrated to simplify the business process. The GR system must be able to expand very easily in order to further manage new business processes.

The database server must ensure fast processing on large volume of data, provide increased data security, allow the implementation of general models of the economic phenomenon whose details are configurable by the user and provide analysis and decision support tools by making it possible to retrieve data from existing applications through files in the implementation process.

To access this general register, it is necessary to enter all the data of an entity in each specially constructed box in order to automatically obtain a control report about the exact situation of the entity. Access to this register with both internal and external control bodies.

In this e-commerce activity, very important is the design activity of the it system, which pays special attention to coding operations. Through these encodings we aim to establish a bi-level correspondence between a set of elements and symbols, designed to allow the unique identification of the elements through a characteristic expression of them (Stanciu, 2000).

For example, we can identify a person by the personal numeric code, through which we can identify the date of birth, domicile, etc., the code can be a combination of numbers and letters.

To be able to access this GR, the entity must pay particular attention to codification. In order to obtain the entity's data, it is necessary to know the entity's unique registration code (URC).

Based on this general register, we try to build an interdependence between the debtor and the creditor balance, customizing it in our entity in the form of a box, consisting of a code in the form of symbols in letters or numbers creating a link between them.

This control function aims to validate and correct the product code, being automatically calculated by establishing a default algorithm.

The arithmetic calculation method has as its basis the following formula:

$$C_f = Z_{fp} - \sum_{i=1} C_{ip} P_{ip}$$

where:

C_f – control function.

Z_{fp} – the number of tens is higher than the sum of the products between the digit of the code CI and the weight of P_i representing conventionally chosen values.

C_{ip} – product code number.

P_{ip} – the number of weights.

The introduction of a computerized environment in an entity is the advantage of reducing workload and number of employees, reducing costs, keeping clear and accurate records of all accounting records, thus facilitating the activity of financial control specific to the entity.

The advantage of the computerized system over the traditional one is that a code of the incorrectly entered products will be immediately notified by the computerized system due to the inconsistency between the actual control function and the one introduced by the operator. By flagging this error, the correct code will be requested, without going to the product code database.

Any form of financial control in an entity is carried out based on internal working procedures. These procedures are specific only when granting the **preventive financial control** visa and **management control**.

Preventive Financial Control

Preventive financial control (PFC) aims to identify projects of operations that do not comply with the legal conditions and that may prejudice the public patrimony. We mention that the preventive control of the PFC is a legality check, and to simplify the procedure it is necessary that all the registered documents are of electronic type.

The PFC visa requires the following steps:

1. Receipt of documents to grant a PFC visa

Remark

For the granting of the PFC visa for fairness and speed it is necessary that all documents are of electronic type.

2. The checks are carried out based on the register for the granting of the PFC visa, which must include the following elements: Document name, the compartment that issued the visa, the content of the document, the date of

the presentation of the visa, the valance of the operations, the date of the return of the document and the observations.

Remark

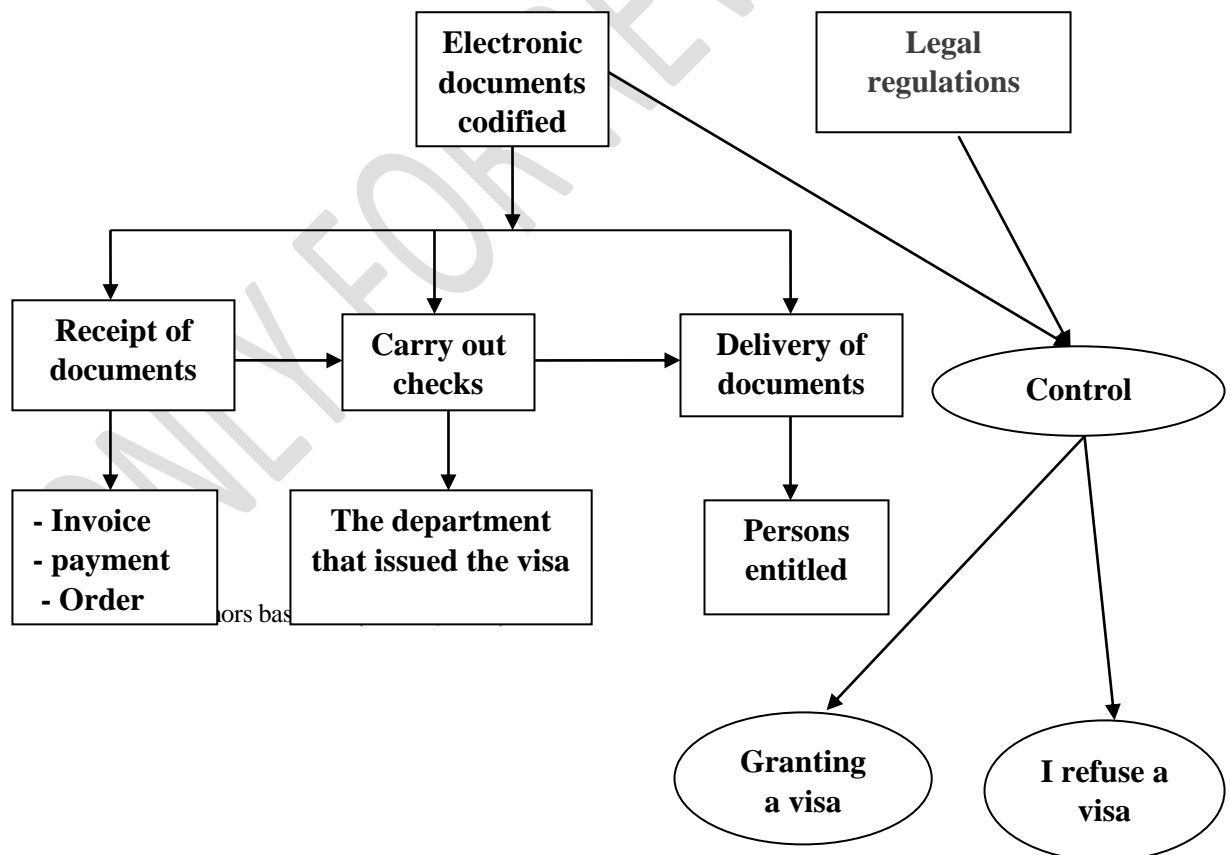
All documents subject to a PFC visa should be electronic for accuracy and fairness, even for their clear record.

3. The delivery of documents is made to the authorized persons according to the nature of this operation.

Remark

Documents subject to an electronic visa can be sent by email, thus shortening the time and workload according to Figure 2.

Figure 2. Preventive Financial Control



Management Control

To be able to carry out management control in a computerized environment, we must go through the following steps:

- **The opening meeting is the date established by the control team** that presents itself to the controlled structure, where, in the presence of the management, they have their opening meeting and the organizational measures necessary to carry out the control are established.
- **Control is carried out through meetings, field visits, interviews**, in order to collect information, in order to ascertain compliance with the economic legislation. During the control period, notes of findings of the financial management control shall be reported at the time of finding. Deficiencies are determined by measurements and evidence, not by outside information.

Remark

Meetings and visits require a lot of work and time. If the documents are electronic, they can be checked more quickly and correctly. If we have created this GR, then all control bodies based on the password, both internal and external control bodies have access to information. This RG helps us to avoid deficiencies due to these product codes presented above, which prevent us from misintroducing them, and then we could remove these notes of findings of the financial management control, but also remove the information received from outside.

- **The closing meeting is the control team after meeting with the controlled structure and agreeing on the deficiencies found** declares the meeting closed, after which proceed to the elaboration of the minutes of financial control management, the minutes of thematic control, The minutes of inventory and management control.

Remark

If we have introduced this GR presented above, it is sufficient that at the closing meeting we draw up electronically a general financial control report, which gives the possibility to keep intermediate electronic copies, which will serve as a process of verifying the financial control.

- **The monitoring of the results of the financial management control is done based on the financial management control report** that allows to highlight the results obtained and trace the deficiencies found.

1 *Remark*

2

3 The general management financial control report is presented in electronic
4 format if we have implemented this GR, allowing any control body to validate the
5 outcomes and flaws identified.

6

7

8 **Results and Further Discussions**

9

10 Risk management is about translating a business into all possible scenarios.
11 (Dinu, 2014). The implementation of online financial control helps to prevent
12 risks, deficiencies, gaps, inefficiencies and ensures free initiative in compliance
13 with legality and fair competition.

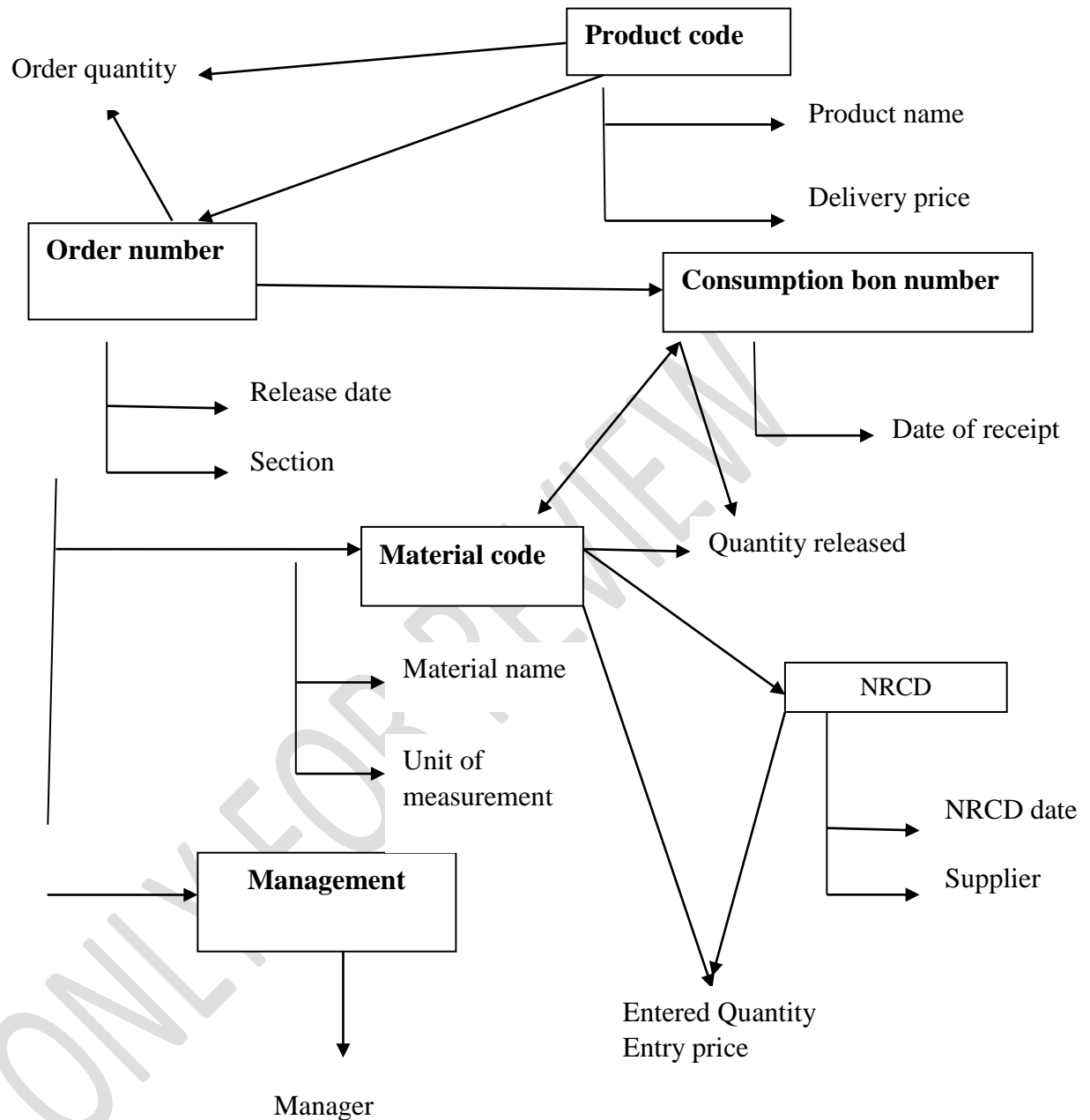
14 If we implement this general register presented above, we can find that it
15 ensures a normalization of internal and external control. As previously described,
16 the control bodies, such as the Ministry of public Finance and the Court of
17 Auditors, have the possibility to track online, based on a password, the electronic
18 documents concerned by the PFC without having to move the control bodies to the
19 entities.

20 External control bodies can verify, based on the GR, the elaboration of the
21 financial management control report where they can make an idea about the
22 economic activity, deficiencies and internal controls carried out.

23 Once this GR is implemented, based on the boxes built into the register, it
24 also offers an advantage to outside people, for example suppliers, thus giving them
25 the opportunity to find out competitors, price and stock available. The beneficiary
26 has the advantage that, once the contract with the supplier has been concluded, the
27 supplier must regularly monitor the stock of goods and provide the necessary
28 goods on time when the stock is exhausted, this procedure easing the work of the
29 beneficiary with an available stock at all times, but also the safety of the supplier
30 that he has a contract for a certain period according to Figure 3.

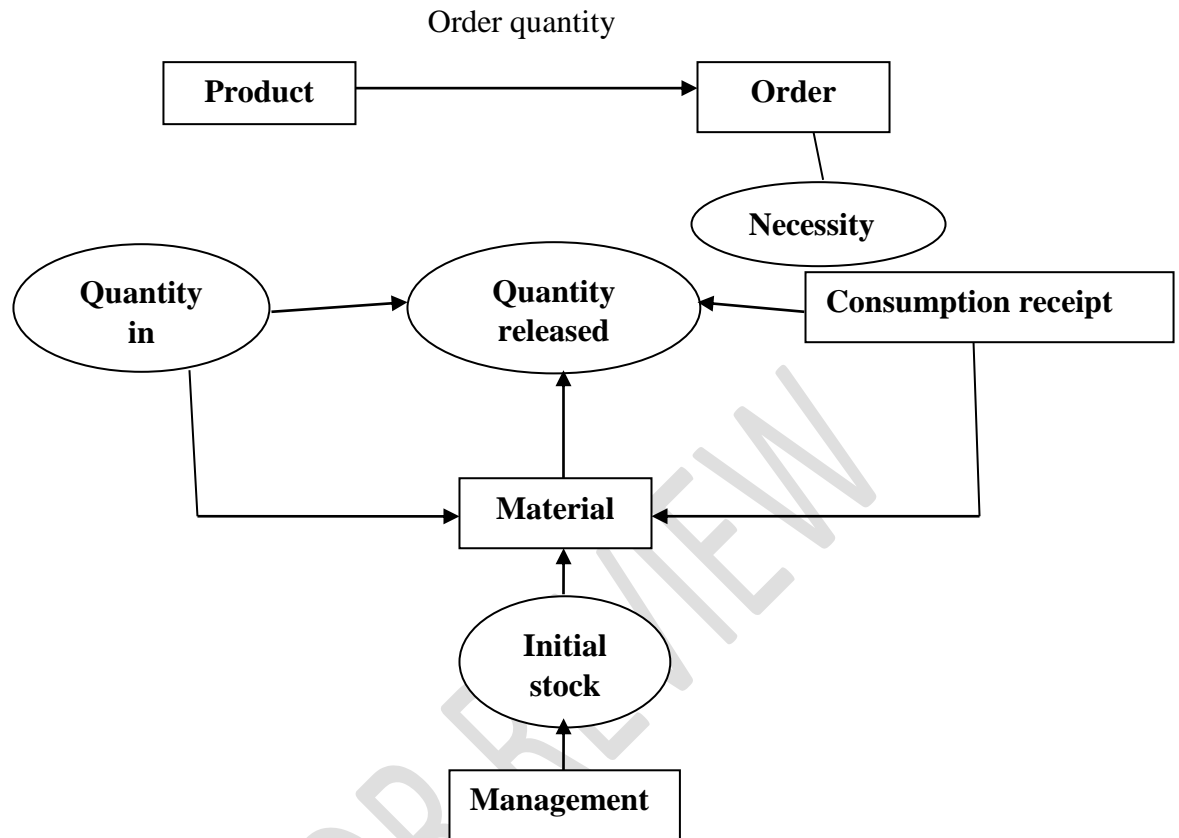
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Figure 3. *The Electronic Document Circuit*

Source: Authors

This GR, through this interdependence link, also enables customers to follow the suppliers with whom the entity collaborates, its evolution, turnover, but also the available freight stock according to Figure 4.

Figure 4. Online Control Circuit

Source: Authors

Through this GR, we could collaborate with the largest retail chains in the world, transmitting all online orders, papers, and reports for internal and external control to ensure the security of financial transactions. Anyone could also check the stock from any location around the globe. For example, Webecom is an entity established in Romania since 2005 to stimulate the IT environment and online commerce.

Webecom has established over 575 online stores, providing technical support and business development. The company's motto is that "technological progress is faster than developing the capacity for efficient use of technology". The objective of the company is the IT - based environment, which encourages fast communication, efficient and correct work, the possibility to perform an internal or external financial control much easier and faster.

By implementing this modern technology, costs are reduced and resources are used intelligently. Over the past 10-15 years, the computerized environment has had a spectacular evolution in Romania, but also internationally. The younger generation adapts much more quickly to changes and the way of communication. Nowadays, anyone who owns a smartphone, laptop or tablet, and more and more people and the entity are dependent on the online technologies needed to compete in the market economy.

The strong competition of large entities does not resist change and they have begun to develop their own digital services to compete with smaller entities. This

activity led to the representatives of the Romanian business environment obtaining through the computerized environment numerous benefits like increased visibility, reduction of costs, acceleration of the production and distribution processes, increasing the speed of payment collection and differentiating in the market or increasing consumer satisfaction.

Essentially, using online financial control is a faster path to progress.

Reliability of SWOT Analysis in determining Financial Control Measures - Guarantor of Financial Performance

SWOT analysis is one of the most renowned tool for controlling, auditing and analysing the global strategic position in business. Its main goal is to highlight the strengths, weaknesses, opportunities and threats faced by a company and which are decisive for the creation of an effective strategic plan that identifies the company's critical points (Nicolau, 2019). Those points will be used to develop strategies that will create a specific business firm model able to align an organization's best resources and capabilities to the demands of the environment in which it operates.

In other words, it is the basis for assessing the potential and internal limits, but also the threat possibilities by the external environment. It is believed that all positive and negative factors inside and outside the company are affected. A solid study of the environment in which an entity operates helps in forecasting/predicting change trends and helps to include them in the decision-making process within the entity.

An overview of the four factors (strengths, weaknesses, opportunities and threats) is presented in Table 1.

Table 1. *SWOT Analysis on the Functionality of Financial Control in a computerized Environment*

Strengths	Weaknesses
<ul style="list-style-type: none"> • allows easy use of the system and access to data without the need to log out and reconnect to the system; • allows archiving of data; • allows the import and export of data from other systems; • good internal communications; • documents issued from the system, have the possibility to be exported in electronic documents in word, html, xls, etc. format; • manage in real time information about costs, revenues and stocks, etc.; • advanced analytics functionality based on personalized roles and reports; • verification at any time of the actual individual records processed in real time; • Executes financial records in multiple currencies (ROLE, USD, EURO, etc.); 	<ul style="list-style-type: none"> • failure to ensure the integrity and confidentiality of the data; • provides an intuitive and interactive interface for employee efficiency; • deficiencies in the transfer of goods; • provide a predictable total operating cost;

<ul style="list-style-type: none"> • Allow direct generation of balance sheet reports – RAS or IAS (asset statement, profit and loss, cash-flow, etc.) – at any time; • real-time cash-flow projections for future periods based on known or predicted data; 	
Opportunities	Threats
<ul style="list-style-type: none"> • the system must have a well-defined mechanism for monitoring by the control bodies in detail the performance of the system; • it must be possible for the customer to connect to the system outside the company network with a high degree of security (data encryption); • The system access mode must have a high degree of portability, either through a client available on multiple platforms (Windows, Linux, smartphone, etc.) or through the browser; • There must be an integrated development environment in its connected system that allows for improvements or special changes to be made for the customer in the most uniform way and in line with the development of technology at market level; • real-time evaluation and reporting of current accounting data to external control bodies; • allow external control bodies to track receipts, respectively advance payments – registrations and closures; • external control bodies allow the online tracking of all debts and debts, regardless of their nature (payments / receipts, suppliers / clients, their distribution on invoices but also on complementary documents, respectively distribution on internal / external invoices, etc.); 	<ul style="list-style-type: none"> • the authorization system must be granular enough to be able to grant detailed authorizations on objects or actions and flexible enough to make subsequent modifications and improvements to authorizations; • reduced internet access.

1 Source: Authors

2

3 SWOT analysis is essential in formulating the strategy. Being a powerful tool,
 4 it is best when used as a guide and not as a successful business network based on
 5 strengths, weakness correction, protection against internal weaknesses but also
 6 external threats. They also hold an aspect of their global business environment,
 7 recognizing and exploiting new opportunities faster than its competitors.

8 *The SWOT analysis has the advantage* of helping to strategically plan the
 9 financial control activity as it is an important source of information that helps build
 10 the core strategy of the organization, maximizes its response to opportunities and
 11 overcome the threats of the organization.

1 It is also used to identify the core competencies of the company, help set
2 strategic planning goals and provides information that is used to synchronize the
3 entity's resources and capabilities with the competitive environment in which it
4 operates.

5 On the other hand, this can cause the organization to view circumstances as
6 very simple, as they can overlook certain key strategic contacts that may occur
7 over time. Moreover, categorizing issues as strengths, weaknesses, opportunities
8 and threats could be very subjective, as there is a high degree of uncertainty on the
9 market. SWOT analysis emphasizes the significance of these four aspects, but it
10 does not say how an organization can identify these aspects by itself.

11 *There are certain limitations of SWOT analysis* that are not in management
12 control, which include, usually, insufficient research and development facilities,
13 defective products due to poor quality control, weak industrial relations or lack of
14 skilled and efficient workforce.

15 In the accounting field, SWOT is one of the most relevant managerial
16 techniques used, that analysis and identifies strengths, weaknesses, opportunities
17 and threats, causes of deficiencies, formulates recommendations to capitalize on
18 strengths, opportunities, but also to reduce or eliminate weaknesses and threats.

21 **Conclusions**

23 The present research attempts an incursion into the problem of defining and
24 implementing an accounting information system exercised by the financial control.
25 This approach is intended to be both normative, by identifying the framework for
26 action, establishing the set of methods and tools that make action possible, and
27 factual, empirical, by drawing lines of democracy of the conditions for the
28 application and implementation of norms at the level of economic entity. So far, a
29 definition of the financial accounting system has not been established that
30 cumulatively meets the normative and applicative criteria, the present research
31 laying the basis for a model based on behavioural studies of financial control
32 carried out exactly in the decision-making process. As regards the methods that
33 render the accounting it system effective by financial control, consideration shall
34 be given to carrying out field studies which enable the design and development of
35 general ledger systems under conditions of risk minimization, Use of ICT in
36 providing technological solutions for classroom situations of the information
37 system, nuance of managerial methods of achieving performance.

38 Within the research a definition of the accounting information system is built,
39 this being a starting point for future research efforts undertaken at the level of
40 conceptualization of financial control.

41 In general, an information system is used to represent real-world phenomena,
42 as a set of symbols that are captured and implemented in a computerized
43 environment. Therefore, an accounting information system translates as
44 representations of economic activities in an electronic format, constituting
45 decision-making tools for both accountants and clients, able to satisfy the need for
46 information about the economic activities undertaken.

1 Within an it system, accountants are the link between the manager, as a
 2 decision maker, and the set of data and information produced by the it system,
 3 contributing to a good understanding of the message sent by information and
 4 guidance of the economic activity specific to the organization, based on a
 5 conclusive analysis of the financial statements. At the same time, managers make
 6 the decision in accordance with the economic relevance in terms of cost-
 7 opportunity of the information received that reveals a certain degree of financial
 8 and non-financial performance. Based on this algorithm, we can consider the
 9 definition of the accounting information system appropriate: “*An accounting*
 10 *information system is one that captures, stores, manipulates and presents data*
 11 *about the value-added activities of an organization to help decision-makers in*
 12 *planning, monitoring, controlling and organizing*”. (Monteiro & Cepeda, 2021)

13 This definition reveals that the financial accounting system has the main
 14 purpose of generating financial statements in accordance with generally accepted
 15 accounting principles. At the same time, it is presumed that economic entities must
 16 carry out a wide range of value-added activities (such as production, distribution,
 17 sales, etc.) in order to achieve a certain level of performance, and the types of
 18 information needed to manage such activities will be expanded. Therefore, the
 19 scope of corporate systems that are included under the umbrella of the financial
 20 accounting information system is much broader than the general ledger system and
 21 the programs that prepare journal entries. Rather, an accounting information
 22 system is a system that helps to process transactions and track data resulting from
 23 such transactions.

24 These systems will be able to provide performance scales (financial and non-
 25 financial) that will serve to implement control and management objectives.
 26 Corporate systems include: transaction processing systems (such as invoicing
 27 systems for sales processes), inter-organizational systems that share data with
 28 upstream and downstream partners (such as web-based order systems and
 29 electronic exchange of processing data, cash receipt) and support systems enabling
 30 economic exchanges (such as order processing, customer market analysis and
 31 inventory control systems).

32 Another aspect of the definition of the financial accounting system is the
 33 implications with strong integrative aspects. For example, the impact of
 34 ENTERPRISE resource planning systems (PRI/ERP) on the market has often been
 35 dramatic through the implications around basic functions such as manufacturing or
 36 human resources. As they matured, the size of core functions expanded to include
 37 more activities of the organization. THE key feature of PRI/ERP systems is a mix
 38 between a development course and an integrated data repository, accessible to
 39 users across the organization.

40 The implementation of PRI/ERP systems provides massive amounts of data
 41 that are updated in real time and can provide support in the process of planning a
 42 wider range of performance measurements than were the manufacturing or
 43 planning systems of the previous management form. Using this definition of the
 44 financial accounting information system, an analysis on the performance of ERP
 45 systems can be performed, characterized as an integral part of the financial
 46 accounting information system.

A financial accounting information system is a structure of a business used to collect, store, manage, process, recover and report its financial data so that it can be used by accountants, consultants, business analysts, managers, financial directors (CFOs), auditors and tax regulators. An important role within the it system is played by specialists who ensure the highest level of accuracy in a company's financial transactions and, at the same time, highlight and make available financial data to those legitimately interested, keeping the data in a high degree of accuracy and safety.

The purpose of an accounting information system is to produce computerized reports that managers or other stakeholders can use to make business decisions. In this respect, the financial information system has three basic functions: The efficient and effective collection and storage of data on an organization's financial activities, including obtaining transaction data from source documents, recording transactions in journals and posting data from logs to registers; providing information useful for decision-making, including the development of managerial reports and financial statements; ensuring rigorous and pertinent controls instead of accurately recording process data. Perhaps the most important aspect of the chapter is the emphasis on information and communication technology applied at the level of the financial accounting information system in order to increase its reaction speed to internal and external stimuli, adaptability to convergent changes in the business world with particular emphasis on the level of competitiveness, ensuring decision-making transparency in the advancement, collection, communication, dissemination, dissemination or sometimes manipulation of data.

As a corollary of the implementation of the financial accounting information system is the cumulative meeting of the following principles: Security, confidentiality, integrity of processing, availability in the fulfilment of operational and contractual obligations.

All the research carried out is under the sign of SWOT analysis, essential in the formulation of strategy and selection, being a powerful tool for assessing the performance of the economic entity, the need for control that will bring performance, the awareness of those shortcomings and the consequences that can be produced by the lack of intervention in solving or minimizing them. The paper considers that the introduction of financial control as an evaluation measure is a plus value for any economic entity, being, in the context of the knowledge-based society, a tool for maximizing performance easily, modern, reliable and highly computerized.

List of Abbreviations

BNR - The Romanian National Bank
 CEO - Chief Executive Officer
 CFO - Chief Financial Officer
 CFP - Preventive financial control
 CIO - Chief information Officer
 CISO - Chief information Officer
 COO - Chief Operating Officer
 CTO - Chief Technical Officer

GR – General Register
 CIS - Computer Information System
 EU - European Union
 IMF - International Monetary Fund
 ICT - Information and Communication Technology
 RG - General register
 SIFC - The Financial Accounting information System
 URC - Unique registration code

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