

Steps towards Convergence of Accounting Information at IAS-Level within Agricultural Entities

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SUMMARY

Applying IFRS / IAS in agriculture involves achieving a main objective improving the national accounting system of rule-based regulations (related to taxation) approved by the Ministry of Finance, to an independent standard-setting system. Full convergence with practical implementation and not only at EU legislative directives, in the context of the current economic situation in Romania, all this can be achieved through active cooperation with relevant EU institutions for accounting issues and the International Accounting Standards Board (IASB) national bodies responsible for setting standards in EU countries as well as professional bodies. An analysis of the information system in terms of the decision-making process at farm level can be achieved through decision support systems providing managers data and models for improving its effectiveness. Therefore, we suggest that within agricultural entities in order to meet the Romanian agriculture policy development at national level of the Agriculture Accountancy Data Network (AADN) (O.G no.67/2004). In order to fulfill this goal in an agricultural entity the basic AADN elements would be: data management component; component for management models; communication management component; user interface; user. In accordance with the procedure provided above the accounting information represents, any technical, economical and financial data related to an agricultural exploitation and consist of entries made systematically and chronologically throughout the entire financial year. This would confirm the reality of information translated into the annual financial statements reflecting the true and clear entity image. This state can be achieved only within a proper information system able to deliver the necessary information to users and authority, knowing that in an agricultural entity the overall processes taking place can be grouped into three categories: executive processes, leading or management processes and information processes. While for the normal course of business it is necessary that the development, transfer and enforcement of decisions mechanism should be well thought out. Romanian experts should consider the implications of applying IAS 41 "Agriculture" and IFRS for SMEs.

Keywords: agriculture, accounting, convergence, management.

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