
Accounting standards that appeal to the professional judgment: a threat or an opportunity for the accounting profession?

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Abstract

The international accounting standards (IFRSs and ISAs) rely increasingly more on the “professional judgment”. What is the situation in France and in Romania? After the conceptual clarifications, the article places the evolution of the professional judgment in the general movement of the law, which goes from “modernism” to “post-modernism” to become a law of specialists able to have a qualified opinion on highly technical subjects.

In order to observe, in a scientific manner, this evolution of the accounting standards, we conducted a content analysis of principal legislative accounting texts, international and national (France and Romania), supplemented by a lexicometric analysis. These analyses allowed us to conclude that the importance of professional judgment in accounting standards is lower at the national level than it is at the international level. However, we highlight a number of dangers related to an increased use of professional judgment: loss of comparability and transparency, increased risks for accounting professionals including auditors, and significant discrepancies in the use of professional judgment in individual or consolidated accounts.

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Introduction

Let us compare two statements:

“Any natural person or legal entity as a business **has to** book the transactions affecting his business and its assets” (translation, French Commercial Code, art. 123-12).

and

“The objective of general purpose financial reporting is to provide financial information about the reporting entity that is useful to existing and potential investors, lenders and other creditors in making decisions about providing resources to the entity.” (IFRS, Conceptual framework, art. 1.2).

We notice that we are in two different worlds that convey two opposite concepts of the law. The first, whose strong legitimacy is conferred by its source, the Parliament’s vote, should not justify its choices. The second, whose legitimacy can be challenged¹ is justified by indicating its usefulness. The latter being perfectly subjective, it should designate an authority whose **professional judgment** will allow the decision-making process. Of course, in the international accounting standards ecosystem, this authority is represented by the “*professional accountant*”. His intervention will be even more decisive, as the IASC/IASB has opted clearly for principles-based standards that must be interpreted, as opposed to rules-based accounting standards.

France is now in the middle of a bridge. On the one hand, it has a long tradition of rules-based standards with the successive general accounting standards based on a general chart of accounts and many adaptations for the different branches. On the other hand, France, as well as all other European countries, uses the IFRSs for the consolidated accounts. Between these two approaches, there are the European directives. This “hybrid” accounting law calls more than ever for professionals to exercise their professional judgment, which on the one hand contributes to emphasize their value, but on the other hand, may also be a risk factor.

In Romania, the Parliament adopted the Accounting Law on December 24, 1991 (Monitorul oficial, December 27th, 1991). This law (art. 4) designates the Ministry of Finance as the main standard-setting body that also provides the templates for the annual financial

¹ See also: Burlaud and Colasse (2011).

statements. It is largely inspired by the French law. “Since 2000, Romania has introduced an obligation to apply international accounting standards of the IASB to attract foreign investors and thus to promote openness and transition to a market economy; business scope covered by the obligation to apply IAS-IFRS expanded every year until 2005.” (Khouatra, 2004, p. 29)

In the following, based on the accounting and auditing standards, we propose:

- To clarify the concept of professional judgment;
- To identify the tension between the two concepts of accounting standards in a broader legal context;
- To indicate specifically that the choice of words in different accounting standards illustrates the conflict between the two logics.

1. The concept of professional judgment

Even though we make judgments every day, it is difficult to define this concept. Different disciplines use it, such as philosophy, law, psychology, psychoanalysis, theology, etc. It may take several qualifiers: value judgments, the judgment of taste, professional judgment, ethical judgments, etc. In our context, we retain the following definition of judgement: “Operation which consists in forming an opinion, in case a precise understanding cannot be reached” (translation, Lalande, 1983, p. 548).

More specifically, the “professional judgment” can be defined as: “The ability of a member of a profession of judging a situation without knowing all the necessary elements with certainty and to choose the acceptable action path if professional standards allow such decision. (...) The exercise of professional judgment requires the profession’s member an objective and prudent analysis, based on experience and knowledge (including knowledge of their own limits) thereof and a sense of responsibility towards those who may suffer the consequences.” (translation, Ménard et al., 2004, p. 931).

In the centre of these two definitions lies uncertainty. Indeed, a professional accountant should make predictions (for example, to calculate the present value of future cash flows), to translate a series of intentions (for example, to classify securities as financial

investments or trading securities) and to assess risks (for example, the estimation of a provision), that is, to give a simplified and yet “faithful” image of a reality that he knows only in an incomplete and uncertain form.

If uncertainty refers to the context of that action, this relates also to the outcome of the decision made by the decision-maker. Thus, in the judicial system, decisions are never perfectly predictable and therefore usually there is an appeal procedure. But if there is some personal judgment, we should not confuse the personal opinion with the professional judgment. The first is freer than the second, which is based on a set of rules and standards that have been adopted by a profession (McHone, n.d., p. 3). Uncertainty is also reduced by the social pressure. “We believe that we are not masters of our assessments; that we are bound and forced. This is the public consciousness that binds us.” (translation, Durkheim, 1911, p. 6)

The evolution of the accounting standards, along with the more general developments of the law, leads to further define the principles which shall be subject to a deductive reasoning rather than to detailed rules.¹ These standards are relying increasingly more on the professional judgment². This is one of the characteristics of postmodern law.

2. Towards a postmodern state: standard over law

Making sense of history raises two major problems:

- Defining the historical periods, by their beginning and their end, reminiscent of the division of time in accounting exercises;
- Qualifying events by defining their features, which the accounting standard-setter should do, as well.

The recent developments in the law in all its branches that occurred after the industrial revolution, including the accounting law, include, after Chevallier (2014), two major periods:

- “Modern” state and law from the 19th century until the 1970-80s;

¹ See also: Lakovic and Puglister (2013).

² Sir David Tweedie, at that moment President of the IASB, declared on October 24th, 2007 in the Subcommittee on Securities, Insurance and Investments of the United States Senate: “A principles-based standard relies on judgements”.

- “Postmodern” state and law since the 1970-80s until today.

2.1. “Modernism”

Modernism or modernity are characterized by technical (science and technology development), economic (the concentration of the means of production) and administrative features (the development of “invisible technologies” by the development of bureaucracies) (Chevallier, 2014, p. 12). The cult of Reason replaces the obedience to Gods (laicization). Only the State is responsible for “making a subtle compromise between the primacy of the individual and the need to create a collective order.” (translation, Chevallier, 2014, p. 12). It “is based on Aristotelian logic (applicable solutions where specifications are deduced from the general rules” (translation, Chevallier, 2014, p. 101). Due to the uniqueness of the law source, the State, one can also speak about the “Jupiterian law” or the monistic conception of law.

The accounting law is subject to that logic, especially in France, related to the different general accounting standards issued starting with 1947. The same situation is registered in Romania starting with the accounting law issued in 1991. The State is the sole arbiter of conflicts between private interests expressed within the institution responsible for standards setting³, the only guarantor of the public interest. Accounting standards, in this view, must leave a minimum room for professional judgment, based on the assumption that it can disrupt this balance which does not legitimately favour any particular stakeholder.

2.2. “Postmodernism”

Postmodernism was born of globalization conducted between the 1970s and the 1980s, which was not a simple development of international trade, as it disturbed profoundly the equilibrium inherited from the Industrial Revolution. It is characterized by the fact that the State had to take into account increasing complexity, confusion, imprecision and uncertainty (Chevallier, 2014, p. 15). Individualism creates instead a “hyper-individualism” with social networks and the decline of intermediate bodies such as trade unions, political parties, etc. A global civil society, a poorly defined

³ See also: Bernard Colasse (ed.) (2009, p. 1109) and Colasse and Lesage (2007, p. 113).

“international community” conquers media space in all the States. Globalization has greatly limited statehood. For example, “a third of the laws adopted by the French Parliament were transposing European directives and most of these authorized the ratification of international treaties” (translation, Chevallier, 2014, p. 110).

The law did not escape without being affected. Increased complexity and technicality of the texts delight lobbies and experts’ communities’ networks. This means more to regulate, rather than legislate. The state is simply an arbitrator of a game whose control was largely lost. The result leads to “weak”, slim, pragmatic, flexible laws. We are moving away from a natural, and thus universal legislative system. A contingent and opportunistic law becomes the ideal type, legitimized by the idea that from the technical point of view it would be more successful because it comes from professionals, and would be more democratic because it comes from down to top. Furthermore, the development of arbitration in conflicts resolution limits the role of the State in the execution of arbitral decisions to the extent that States have (yet?) the monopoly of coercion. In addition, arbitration is institutionalized by creating the Permanent Court of Arbitration, for example. But the “court of the public opinion”, in turn, could compete with the States’ power to sanction, by weighing the companies with an associated reputational risk, which can sometimes be a more effective solution, even it is not well-framed. The recent Volkswagen example reminds us of it, just as the Arthur Andersen case is still remembered within the accounting profession. The power of opinion is based on the media, except for the case in which the media is based on an opinion, as evidenced, in particular, by the *Panama Papers*. But the opinion is also based on social networks, on the expertise of institutions such as rating, certification, or qualification agencies, etc. and civil society organizations such as Greenpeace or, in our field, Transparency International, Finance Watch, etc.

Accounting standards are a good example of this new “globalization law”, built at the initiative of economic operators (Chevallier, 2014, p. 125), the IASB in this case, which still needs an European regulation (Regulation No. 99-02 of 29 April 1999 on consolidated accounts of Commercial companies and public interest entities) to give it the “force of law”. Moreover, the globalization of law is not only a territorial matter, but also a matter of content. Thus, the global accounting standards, the IFRSs, cannot refer to concepts derived

from national laws (the notion of “patrimony” that comes from the Civil Code, for example) or tax laws. By becoming global, accounting standards become autonomous.

Produced widely by the professionals, applied by the professionals, inaccessible to the public because of the technical nature of the topics, and autonomous, it is logical that these international standards allow the use of professional judgment in the process of implementation and interpretation. Thus, moving from a prescriptive law with a long tradition (“Thou shalt not kill”) towards an interpretative law (the professional’s quest for “relevant”, “useful” or “adapted” solutions). In addition, the professional judgment allows to adapt the international standards to local circumstances, to form a necessary “*glocalization*” (globalization + localization).

Therefore, we see that a form of legal self-management, self-regulation, self-discipline (ethical behaviour) develops under the guidance of professional organizations that cooperate with the States, but are dominant in technical matters. Sovereignty is shared, “which involves a contradiction in terms” (Frydman, 2000, p. 71).

The postmodern law is also a fragmented law, as it can be seen from the multitude of issued codes. In France, today, there are more than fifty codes (Chevallier, 2014, p. 152): urban development, education, roads, health, environment, forestry, rural, etc. It is in fact a specialists’ law, designed for professionals able to have an opinion on highly technical subjects.

3. Towards an accounting law that appeals to the professional judgment?

While national or international accounting laws and standards almost do not use the term “professional judgment”, we will see that the concept is still very present through expressions that are veritable markers. This diversionary use justifies some methodological details.

3.1. Methodology

It is not possible to achieve a lexicometric research on the “whole” accounting law. We limited the search to six texts for the purposes of this exploratory work:

- Four texts dealing with accounting and financial reporting:
 - The Conceptual framework of IFRS (exposure draft disclosed in 2015);
 - The “Accounting” Directive issued by the European Commission in 2013;
 - The French General Accounting Standards (PCG) updated in 2014;
 - The Romanian Order no. 1802/2014; and
- Two texts which deal with the statutory audit of the annual financial statements:
 - The Conceptual framework of the ISAs;
 - The European “Audit” Directive issued in 2014.

We have not used in our research all the IFRSs or ISAs as we did not have a single file, comprehensive of these standards in MSWord format. Therefore, to achieve the goal of our study, we retained only the conceptual frameworks on the assumption that they would be representative for all standards. Therefore, we achieved only a comparison of some texts that are roughly similar.

We chose the English version of the European Directives, but for the French standards, we conducted a search using the translation of the keywords suggested by Ménard et al. (2004). For the Romanian order, the translations were made by the authors of this article.

A first reading of these documents allowed us to identify 40 words expressing that the accountant has resorted to the professional judgment. This last term was never used. But the need to use the professional judgment derived from other wordings. For example, the word “relevance” requires a human intervention to determine the relevance of a solution in order to make a decision. Thus, article 2.4 of the IFRS Conceptual Framework states: “If financial information is to be useful, it must be relevant and faithfully represent what it purports to represent.” Therefore, the expert must decide what is relevant, for whom and from what point of view.

For each of the 40 words or derivatives thereof (e.g., *relevant* or *relevance* are treated as a single “word”), we measured the frequency of their use in various documents. Thus, the word *relevant* and its derivatives are used 95 times in the IFRS Conceptual Framework.

We also calculated the frequency relative to the total number of words of the document, in order to compare the likelihood of occurrence in texts of different lengths. Therefore, the word “*relevant*” is used 3.6 times for every 1,000 words of the IFRS Conceptual Framework, as opposed to 0.6 times in the European Accounting Directive.

Clearly, the importance of a word cannot necessarily be proportional with its frequency. However, there is little doubt that a word with a fairly high occurrence is important. This cannot be just a coincidence.

3.2. Statistics regarding the elements that indicate the use of professional judgment

For each of these texts, out of the 40 words, we isolated the ten words most frequently used in order to reduce the data presented in **Table 1** and **Table 2**. We conducted a separation of accounting and auditing rules to achieve a comparison of texts of a similar nature as much as possible.

Legal “modernism”, as defined above, is the result of the Roman law tradition, which is based on the legitimacy of the law’s origins, its source. Thus, the French accounting law¹ was adopted by the Parliament, namely a national representation. The interpretation of law falls on the courts that decide “on behalf of the people.” Therefore, the French law leaves little space for the professional judgment in accounting. It makes sense that words such as *relevant*, *useful*, *estimate*, etc., which require some clarifications in relation to whom or what, can be found with difficulty in the French accounting standards. The Romanian Order, whose source of origin is influenced by the tradition of the French accounting laws, no longer uses some words that are absent from the French accounting standards, such as “*fair*” or “*transparent*”. The word “*relevant*” is used only once. These are all the common points between these two national accounting standards. However, unlike the French accounting standards, the Romanian order uses often the word “*estimate*” (45 times). This is due to the position of accounting in the Romanian management culture; it plays a key role as a source for information.

¹ The law from 30th of April 1983 integrated in the French Commercial Code.

Table 1. The frequency of words that indicate the use of the professional judgment in the accounting laws and standards

| Conceptual framework IFRS 2015 | | European Accounting Directive issued in 2013 | | French standards issued in 2014 | | Romanian Order issued in 2014 | |
|--------------------------------|--------------------------|--|--------------------------|---------------------------------|--------------------------|-------------------------------|--------------------------|
| Words | Frequency to 1,000 words | Words | Frequency to 1,000 words | Words | Frequency to 1,000 words | Words | Frequency to 1,000 words |
| Relevant | 3.557 | Fair | 1.274 | Assessment ¹ | 3.103 | Assessment ² | 3.841 |
| Estimate | 3.033 | Material | 0.849 | Necessary | 0.703 | Material | 0.812 |
| Useful | 2.621 | Necessary | 0.751 | Probability | 0.524 | Necessary | 0.569 |
| Faithful | 2.546 | Appropriate | 0.718 | Decision | 0.345 | Estimate | 0.377 |
| Certainty | 1.797 | Relevant | 0.621 | Reliable | 0.290 | Public interest | 0.192 |
| Fair | 1.610 | Consistent | 0.457 | Error | 0.234 | Comparable | 0.117 |
| Assessment | 1.573 | Significant | 0.392 | Significant | 0.221 | Faithful | 0.109 |
| Necessary | 1.348 | Comparable | 0.327 | Appropriate | 0.179 | Accurate | 0.100 |
| Comparable | 1.123 | Assessment | 0.294 | Sufficient | 0.152 | Useful | 0.100 |
| Decision | 1.123 | Substantial | 0.261 | Comparable | 0.138 | Appropriate ³ | 0.092 |

¹ In the French accounting standards, the fact that the term "assessment" is cited often comes from the simple fact that it has a double meaning: assessment purposes to determine a value (for example, assessing an asset; in English: appraisal or valuation) and evaluate sense to use a critical judgment on a situation (for example, to evaluate the possibility of going concern; in English: evaluation). For the French accounting standards, the number of occurrences of the word "assessment" is not necessarily significant.

² The above footnote applies also to Romania.

³ In the column associated to the Romanian order, two words are found positioned in 10th place *ex aequo* with 11 appearances: «adequate» and «sufficient». Arbitrarily, we've retained only the first because we were limited to just 10 words.

Source: Author's processing.

Legal "postmodernism", by contrast, puts a strong emphasis on the professional judgment or the experts' reasoning. Thus, the IFRS Conceptual Framework uses the term "relevant" 3.6 times for each 1,000 words. The European Directive, which introduced in the continental accounting law the concept of true and fair view, is largely based on general principles (*principles-based*) and also uses words such as fair, significant, necessary, appropriate, and relevant.

The use of these words has, undoubtedly, a rhetorical function. Is it really necessary to specify that the information produced should be relevant or useful? Can you imagine an opposite objective? Certainly, the IFRS Conceptual Framework states that "The objective of general purpose financial reporting is to provide financial information about the reporting entity that is **useful** to existing and potential investors, lenders and other creditors in making decisions about providing resources to the entity." (IFRS Conceptual Framework, art. 1.2) Of course, the IASB specifies implicitly what is "useful", by producing a set of standards. However, the idea expressed here is not the same as that which asserts that the financial statements should be compliant, or in accordance with written rules.

It is also interesting to note which words are never used. Thus, one of the major properties of accounting is to ensure the traceability of financial flows and, therefore, contribute to **transparency**, without which there can be no trust. Trust is the society's as well as the business world's cement. The word itself, "transparency", is never used. Indeed, curiously, the IASB Foundation's "Constitution", the IFRS's Conceptual Framework, the 2013 European Directive on the annual financial statements, the French accounting standards in 2014 or the Romanian order do not use this word. The IFAC's Constitution does not make any reference to it, either. This is even more surprising, since transparency requires a common language to ensure that the information is produced and then interpreted by different users accordingly. It is no longer mentioned by the IFAC's code of ethics, or the two French Professional Accountancy Bodies¹ or other professional bodies in

¹ The two professional bodies in France are: Compagnie nationale des commissaires aux comptes (CNCC; auditors) and Ordre des experts-comptables (OEC; accountants in public practice). Their equivalent in Romania are: Camera Auditorilor Financiari din România (CAFR) and Corpul Experților Contabili și Contabililor Autorizați din România (CECCAR).

their own codes. Opposite to opacity, transparency is still one of the conditions of existence of a state subject to the rule of law. This does not mean that everything should be known by everybody. There are, of course, “access rights”, such as computer programmers say, variables without which there would be no privacy or trade secret. The secret may be necessary and cannot cover embezzlement. Transparency can be “intermediated”, that is to say achieved through a third party. Thus, the auditor has access to all of his client’s records, useful for carrying out the engagement and third parties know through him that these records do not include elements which constitute or reveal criminal acts. We must add the fact that access rights are not transferable. Thus, some recipients of the information should also be discrete (for example, the elected members of the Works councils) or professional secrecy (for example, the auditor or the chartered accountant). If the need for transparency is universal, the degree of responsibility of one depends on the degree of access to information (the secret is not protected everywhere in the same way as shown, for example, by the bank secrecy whose definition varies from one country to another), or it depends on the established balance between (i) transparency, that allows the exercise of social control and (ii) business secrets, that can neutralize any potential hostile actions. This balance relies largely on the exercise of professional judgment.

The **public interest** is the central argument of the legitimacy of the legislature or of the standard-setter, which is somehow a legislator by delegation. This concept has a great evocative power. Thus, the “Constitution” of the IFRS Foundation uses the phrase “public interest” eight times in 19 pages, and that of the IFAC, 28 times in 17 pages.

None of the two standard-setters define the public interest; they provide only an institutional response in terms of governance.

For the IFRS Foundation, the 22 Trustees are committed to act in the public interest (Constitution, art. 6). It also states that:

- “The mix of Trustees shall broadly reflect the world’s capital markets and diversity of geographical and professional backgrounds.” (art. 6)
- “The Trustees shall comprise individuals that, as a group, provide an appropriate balance of professional backgrounds, including auditors, preparers, users, academics, and officials serving the public interest. Normally, two of the Trustees

shall be senior partners of prominent international accounting firms. To achieve such a balance, Trustees should be selected after consultation with national and international organizations of auditors (including the International Federation of Accountants), preparers, users and academics.” (art. 7)

This highlights that, for the IASB, the public interest is confined to the interests of financial markets and that the *Trustees* are mostly professionals appointed by professionals.

For the IFAC, the “Constitution” provides a “Public interest oversight authority”, without further clarifications.

These institutional responses illustrate the difficulty to define the public interest. Gathering people whose technical competencies and integrity are not questioned, is not sufficient to ensure a good representation of the public interest.¹

By its nature, public interest is an unclear and contingent concept. It has a deeply political character. Instead of being defined, is this concept introduced into the standards? The IFRS Conceptual Framework does not mention it either. The same thing is true for the Accounting Directive 2013 and the French accounting law and standards. The Romanian Order from 2014 does not mention the public interest. It recognizes the public interest with regard to public interest entities (PIE), that is to say that they are of interest for the public, but it is irrelevant to the public interest or general interest. In none of these documents, the general interest found an operational tool or contributed to the universality of the standards.

The choice of words and the frequency of their use are an indicator of a certain conception of the laws in general and of the accounting law, in particular: a law of and for the experts. Let’s see now the laws and standards related to the financial audit.

The comparison of the texts governing the auditors’ professional practice is more complicated because the texts are not of the same nature. There should be compared all the International Standards on Auditing (ISA) with those from France, Professional Standards (*Normes d’exercice professionnel*; NEP) of the Statutory Auditors and the Romanian equivalent, which was quite difficult, given the amount of information that had to be processed.

¹ For this subject see also Burlaud and Colasse (2011, p. 119).

Table 2. The frequency of words that indicate the use of professional judgment in the financial audit law and standards

| IAASB Conceptual Framework, 2005 | | The Audit Directive, 2014 | |
|----------------------------------|--------------------------|---------------------------|--------------------------|
| Words | Frequency to 1,000 words | Words | Frequency to 1,000 words |
| Appropriate | 5.852 | Appropriate | 2.264 |
| Material | 4.835 | Relevant | 1.932 |
| Reasonable | 4.326 | Decision | 1.049 |
| Sufficient | 2.926 | Effective | 0.939 |
| Relevant | 2.672 | Assessment | 0.939 |
| Reliable | 2.163 | Necessary | 0.883 |
| Effective | 2.036 | Sufficient | 0.552 |
| Assessment | 1.399 | Transparent | 0.442 |
| Judgement | 0.891 | Significant | 0.331 |
| Consistent | 0.891 | Fair | 0.331 |
| Significant | 0.763 | Material | 0.276 |

Source: Authors' processing.

Despite these limitations, it is revealing to see how the ISAs use the following words: adequate, meaningful, reasonable, sufficient, relevant etc. These words require the professional judgment. The European Directive uses the same words, but with a systematically lower relative frequency. The Anglo-Saxon influence has been definitely mitigated by other European countries' legal tradition.

Conclusions

On the edge of a postmodern accounting standardization, the IASB promotes, on the one hand, transparency and comparability and, on the other hand, the relevance to support investors' decision-making processes (IFRS Conceptual Framework, art. 2.a). However, there may be a conflict between these two objectives.

The use of professional judgment does not contribute to transparency. Indeed, the choices made by those who prepare the financial statements and the auditors are documented in short, either in the notes to the financial statements or in the audit report. They often use standard formulas, which have a rhetorical purpose, such as: "appropriate solutions", "according with the practice of the profession", "reasonable assurance", etc. In addition, the professional judgment is subjective by definition, and can lead to different responses to the same questions. Then, what about comparability? The areas of interpretation should be reduced and standards with detailed rules should be issued (*rules-based*).

Moreover, mentioning the public interest and relevance of financial reporting for investors, the assertion of

substance over form, principles-based standards, extends the use of professional judgment beyond what is necessary for the implementation of the old traditional rules that ensured conservatism¹. We can see the paradox of using the professional judgment, a recourse that we have demonstrated with the lexicometric study, which penalizes transparency and comparability for the benefit of relevance, a concept which is difficult to define.

Is this fundamental evolution of the accounting standards, moving from the stage of "Jupiterian" (or "royal") law to a law that is co-produced with the professionals, by and for the experts, outside the national representation, a threat or an opportunity for the accounting profession?

This is indisputably a threat for the public interest, represented in the process of issuing the accounting standards only by pressure groups which are not legitimate to represent it, as long as other stakeholders are absent. Thus, counter-powers are necessary. Will the EFRAG reach the expectations?

From the accounting profession's point of view, the broad use of professional judgment in the production and auditing of financial information is beneficial. This is an opportunity. Professional expertise is a key element. But according to the principle that profitability increases along

¹ This rule that almost disappeared from the IFRS Conceptual Framework is evoked only in art. 2.18, but it is associated with neutrality, in order to not undervalue the net assets in a systematic manner.

with the associated risks, professional accountants witness a due care evolve into the obligation to achieve a result. Compliance with the standards is a mean, relevance is a result¹. In this case, it is a threat.

This evolution of the accounting law leaves us today in the middle of a bridge with a “hybrid” law: it still

relies on the reputation of the past, especially in the individual financial statements, and has a possible future, less predictable, especially in the consolidated financial statements. But one should not confuse change and progress. Nothing is decided yet.

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¹ We can also evoke a demand from the civil society for an involvement of the profession with its specific rules and methods for securing financial and non-financial information. With reference to this issue, see also: Burlaud and Niculescu (2015).

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