

# ACCOUNTANT IN TIMES OF PANDEMIC

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## **Abstract:**

*The accountant plays a very important role in the life of a business. This year, his work has grown in volume, sometimes without higher pay. Legislative changes imposed by the SARS COV 2 pandemic have affected the professional lives of accountants. They had to adapt quickly to numerous changes and in a short time to meet the requirements of their customers.*

*This article presents the results of a questionnaire applied to Romanian accountants in November 2020. The results of the analysis show that most felt this period was a very tiring one, with reductions in tariffs, loss of customers, additional work and no state aid, as other affected staff categories were supported.*

**Keywords:** accountant, pandemic, COVID 19, additional work, efficiency.

**JEL Classification:** M49, M54.

## **1. Introduction**

The COVID-19 pandemic has affected all industries to a greater or lesser extent. Some companies have experienced major declines in income caused by quarantine measures, school closures, and changes in consumer behavior, an effect of social distancing. The decrease in revenues affected the possibility of honoring payments to employees and suppliers.

The situation of uncertainty generated by the COVID-19 pandemic generates various problems: the temporary inability of employees to carry out their activity even within the financial accounting department; staff crises caused by scheduled childcare leave.

Another problem would be the lack of experts who provide the managerial information needed to make quick decisions such as those aimed at analyzing the impact of COVID-19 on the company, making detailed operational reports with analyzes on product or service lines, adequate monitoring of working capital and flows. cash, preparation of scenarios, timely completion of monthly reporting to the group and to state authorities.

Regardless of the reasons behind the crisis, within the financial-accounting department, the company is obliged, according to the legislation in force, to keep up-to-date accounting records and to ensure an internal control of the company that allows it to collect accurate, exhaustive and at time.

All these daily financial-accounting activities that have to ensure continuity in data collection and processing put additional pressure on the company which, in a context of crisis, has to lean on the preparation of reports necessary for decision making.

Accountants are at the forefront of the economic effects of coronavirus during the pandemic. Trusted advisors to entrepreneurs, they seek to identify solutions to quickly heal affected businesses.

In these times the legislative changes were numerous in a very short time. The workload of accountants has increased, due to the need to read all these pieces of legislation and prepare accounting and disclosure of government assistance in case the company applied for such schemes.

In addition, accountants have been forced to act quickly to identify the steps entrepreneurs need to take. For example, it is necessary to forecast cash flow estimates over a period of time, given the high degree of uncertainty and the time required to return to stability.

They must also consider many accounting issues that must be taken into account in drawing up the image of the company's assets. It will soon be necessary to prepare the balance

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sheet of this special year and have the mission to identify and reflect in the financial statements the impact of the pandemic on the company's activity. It is necessary to present the Profit and Loss Account considering the nature and extent of income / expenses, to take into account the depreciation of fixed assets and value adjustments of inventories, exposure to contractual penalties, to take into account the effect of events after the balance sheet date.

However, the accountants were eliminated from the state aid. No support opportunities were created for them. In November, subsidies of 2000 euros were granted to those who did not have employees at 31.12 the previous year and if they had a turnover over 5000 euros. Accountants who have their own accounting firm have employees, so they could not benefit from this little help. Many of them carry out the activity in the form of PFA, and this type of activity was not included in the list of activities eligible for Microgrants.

It would be thought that they did not suffer during the pandemic. Considering that their activity is closely related to the activity of the companies, the affectation of the other economic agents is directly reflected on the accountants as well. Their incomes are directly affected by the decrease of the activity of the economic agents. If they are employed in the internal accounting department of companies, the pandemic influences the salary. In the case of accounting firms / PFA, the impact of the pandemic is seen in affecting the tariffs applied, respectively in decreasing the number of clients.

Through this study we aimed to identify the opinion of those who are accountants, but not on how the companies whose accounting they organize are affected, but on how they are affected, the accountants.

## **2. Literature review**

Overtime is a habit in the accounting profession (Lewis, 2007). The dominant long hours culture is sustained among this professional group by notions of client service and professionalism that imply constant availability, which becomes an integral part of professional identity.

Time management has become very important. For accountants, time management may reduce stress, which is generally quite high because of legislative changes and deadlines. People who completed the questionnaire try planning time for complete the tasks. They have a planning for daily tasks; they prioritize the tasks in order of importance and try to do the work during working hours. Some of them need to appreciate the time by accepting the task whose results obtained justify the time invested (Bigioi and Ionescu, 2016).

Accounting firms (known for in-person client experiences) are facing unique challenges because of remote work. To rise against the COVID-19 tide it is necessary for accounting firms to make the right investments in technology and in driving effective change management with a “people-centered, machine-first approach” to build a resilient, adaptable and purpose-driven core. The post-pandemic world will focus on delivering more value to customers at lower cost, creating new technology-driven services and responding with agility to regulatory changes (Atul et al, 2020).

In-demand post-pandemic technical accounting knowledge will need to be complemented by digital know-how. Analytical skills, and the ability to share insights behind the numbers, will become even more important for employers. Anticipating the future, understanding opportunities and trends, and adapting to new situations will prove to be the leading advantage for an accounting professional in the future (Muldowney, 2020).

CPA Quebec (2020), the organization of professional accountants has prepared a short guide with questions and answers regarding ethical issues during the Covid-19 pandemic: professional obligations, fees in advance, bill collection issues, how to receive documents from customers, alternatives to meeting in person, use of social media. For professional accountants, there are several impacts, in particular regarding government measures and

clients' requests in reaction to these measures. Despite the crisis, CPAs must follow the rules of professional conduct governing the profession, even if that means adapting their ways of doing things.

Remote work presupposed the availability of professional accountants towards clients and the employer during and outside working hours. Professional activity is interspersed with personal life and can affect it. Obstacles encountered in remote working in Romania by accounting professionals are: stress, fatigue, (both felt more by those under 29) numerous legislative changes (most easily felt by those under 29), constant interruptions (more common those over 50, due to experience ). However, the stress level was the same, regardless of the area of origin and the age of the respondents (Mihai et al, 2020).

### 3. Methodology

We prepared a questionnaire that was placed for a week on a social network in a group of Romanian accountants. The questionnaire contains 16 questions, of which one is an open-ended question. 167 responses were obtained.

Most of the respondents were women. Only 12 men answered the questionnaire. Women are very numerous in the Romanian accounting profession: they represent 70% of chartered accountants and 65% of auditors. This majority of women in the accounting profession is explained by certain stereotypes on accountants and on accounting: patience, meticulousness, the static nature of the activity (Istrate, 2012).

The distribution by gender was as follows (Fig. no.1):

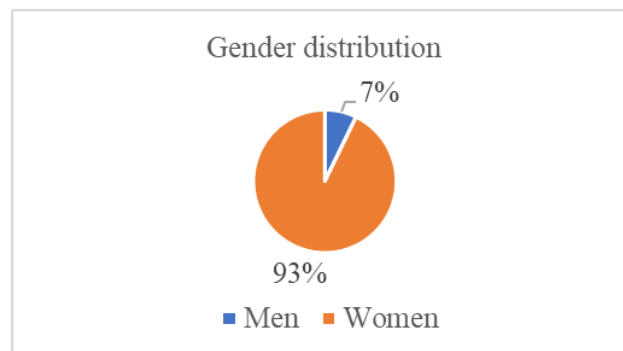


Fig.no.1. Gender distribution  
Source: own processing of data obtained

Most respondents (representing 36.5% of the total) fall into the age category 41-50 years. (Fig. no. 2)

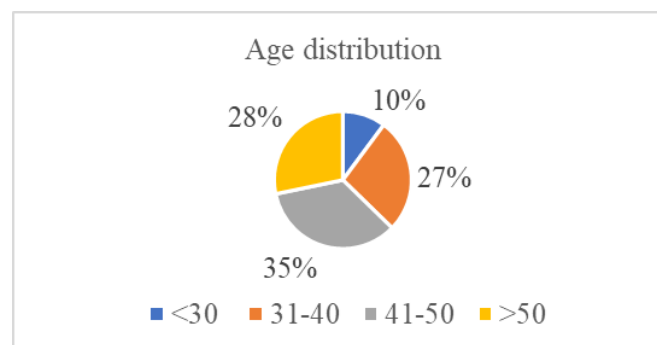


Fig.no.2. Age distribution  
Source: own processing of data obtained

40% of the respondents are employed in the accounting department of a company. 28% are employees of an accounting firm; 2.4% are employed at a public institution, and 33.5% perform accounting services under another form of organization. (Fig.no. 3.)

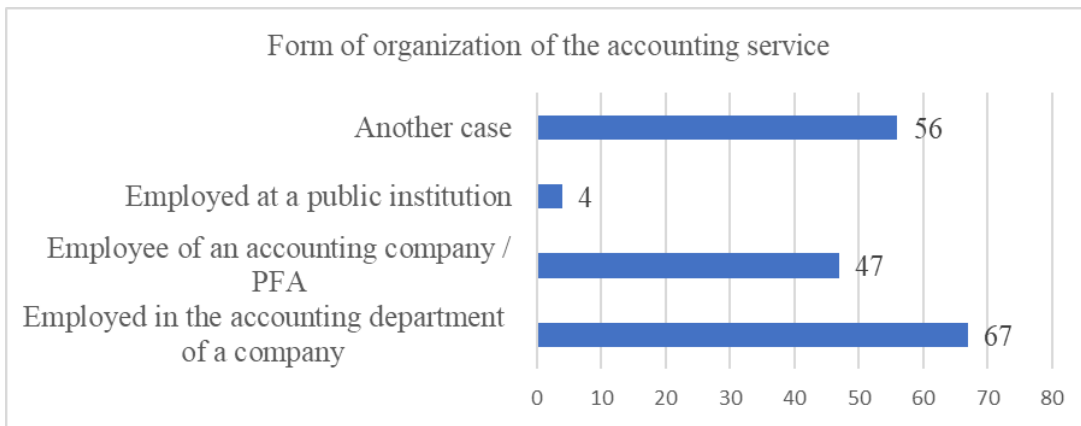


Fig.no. 3. Form of organization of the accounting service  
Source: own processing of data obtained

Regarding the location where they performed accounting services during the pandemic, 39% of respondents worked from home, 35% worked from the office, and 26% combined work from home with office work. (Fig. no. 4).

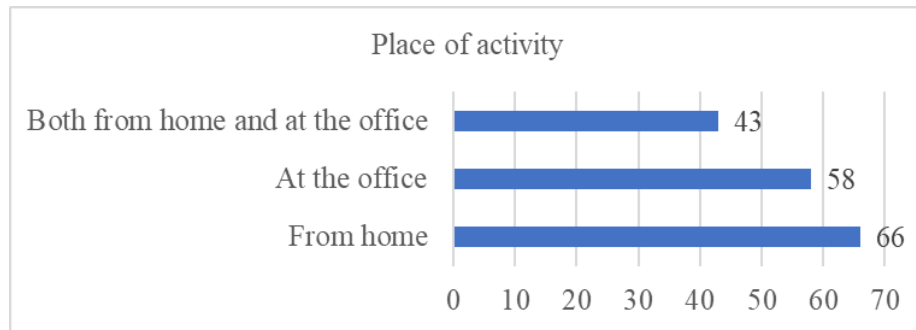


Fig. no. 4. Place of activity  
Source: own processing of data obtained

Taxpayers benefit from a bonus calculated on the tax due (profit tax / income tax), if they made the payment by the due date. Only 64% of the respondents paid the tax on time and benefited from this bonus. 36% of the respondents encountered financial difficulties and did not pay the tax until the due date. (Fig. no.5)

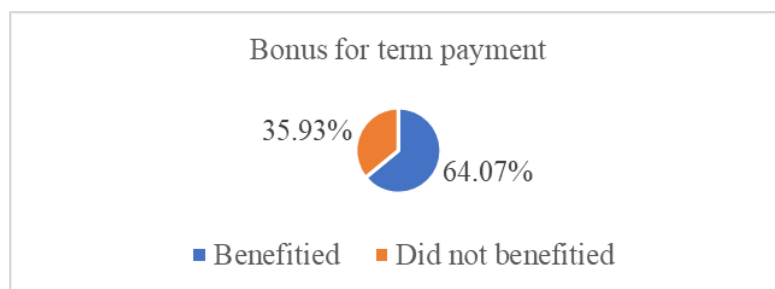


Fig.no. 5. Bonus for term payment  
Source: own processing of data obtained

For discussions with clients, professional accountants mainly used WhatsApp. (Fig. no.6)

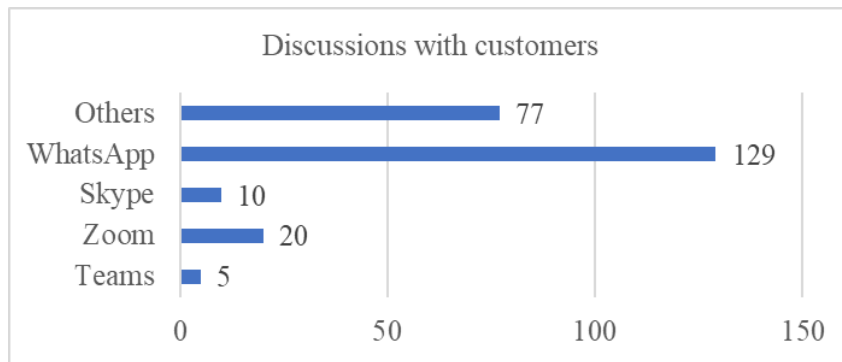


Fig. no. 6. Discussions with customers  
Source: own processing of data obtained

For remote control of the computer the most used software was TeamViewer (42%). 28% of respondents did not use any other software; probably because they worked in the office or maybe they used at home the laptop on which the accounting software is installed. (Fig.no. 7)

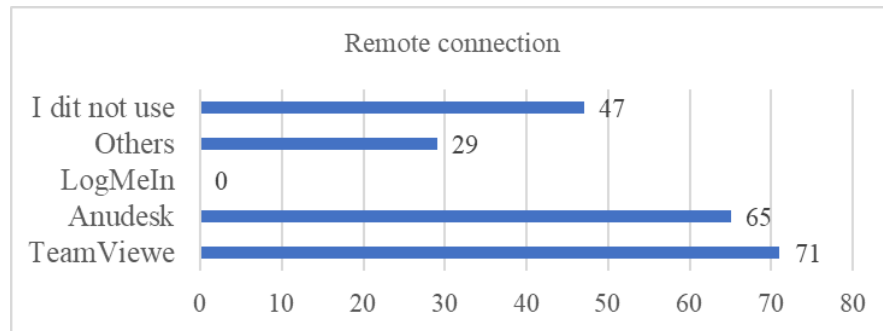


Fig.no.7. Remote connection  
Source: own processing of data obtained

Regarding the change of the obtained incomes, 57 people were not affected, 55 people had diminished tariffs, 36 people lost clients, 17 people had diminished salary, and only one person lost their job (Fig. no.8).

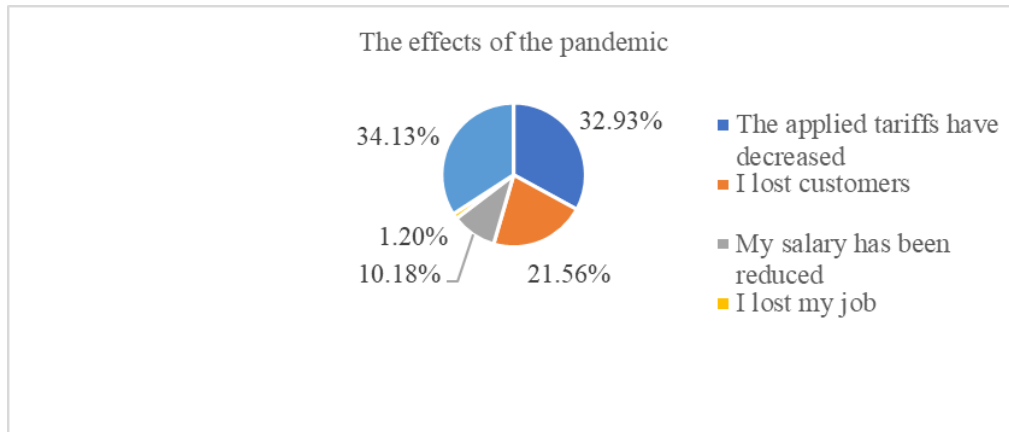


Fig. no. 8. The effects of the pandemic  
Source: own processing of data obtained

The vast majority of respondents did not apply for grants (Fig. no. 9).

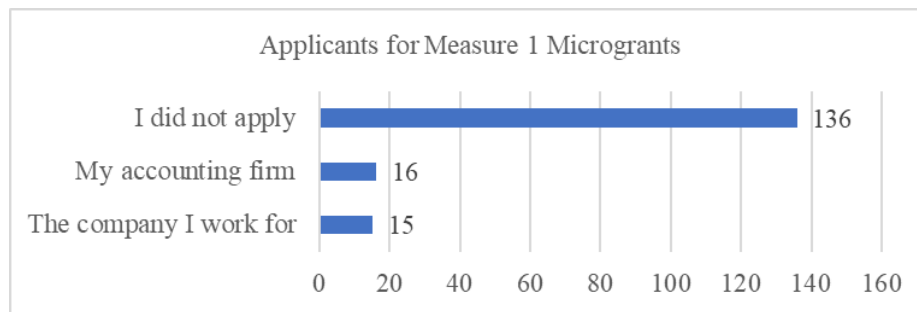


Fig.no. 9. Applicants for grants  
Source: own processing of data obtained

For the reduction or temporary interruption of the activity, the companies received aid from the state (technical unemployment). Parents could request days off to supervise their children in case of suspension of classes or temporary closure of schools. The clients of most accountants benefited from technical unemployment (which involved the preparation of certain documents by the accountant), while most accountants did not benefit from either type of financial support. (Fig. no.10)

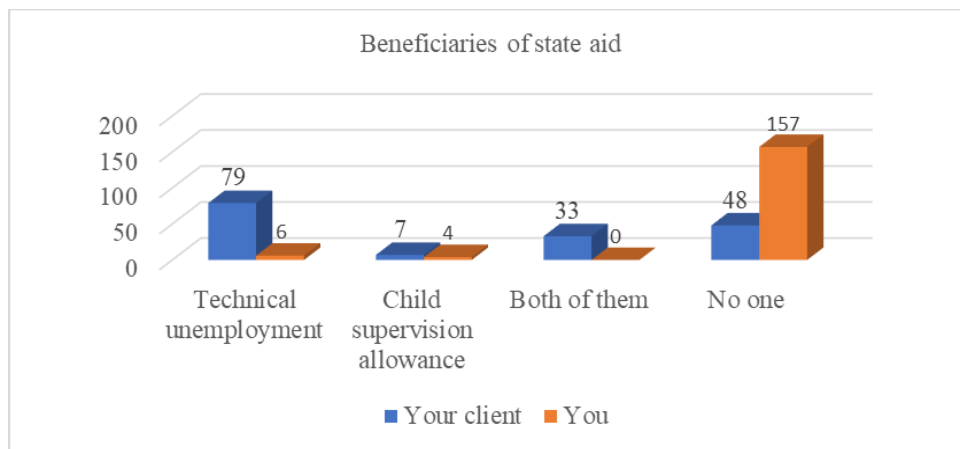


Fig.no. 9. Beneficiaries of state aid  
Source: own processing of data obtained

Regarding the way of obtaining the documents necessary to be processed (Fig.no. 10), the following were observed:

- 64 people received the documents by meeting with the client, physically
- another 80 received the documents both physically and electronically

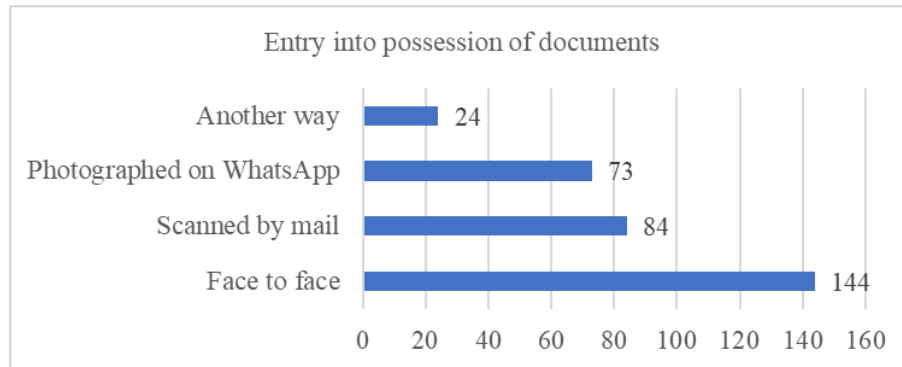


Fig.no. 10. Entry into possession of documents  
Source: own processing of data obtained

Those who did not use electronic transmission are classified by age categories (Table no. 1):

Table no 1. People who physically took over the documents

Age	Number of people
<30 years	7
31-40	15
41-50	28
>50	14

The respondents employed in the accounting department of a company took over the documents both physically (39 people) and electronically (29 people).

Numerous legislative changes have increased the workload for the vast majority of respondents (148 people) (Fig.no.11).

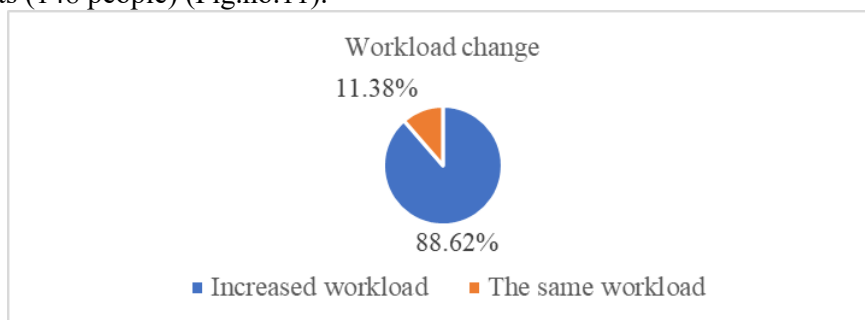


Fig.no. 11. Workload change  
Source: own processing of data obtained

Higher work efficiency was achieved at the office, not at home (Fig.no. 12). Working at home is interrupted by other activities, especially if there are children who need to be supervised.

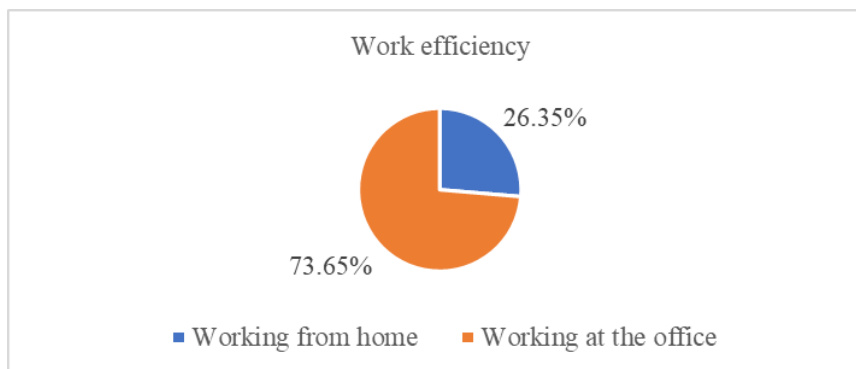


Fig.no.12. Work efficiency  
Source: own processing of data obtained

Those over 50 had the greatest efficiency in working from home, followed by those between 31-40 years old. Only 1 person under 30 was more efficient working from home.

The last question was “Do you want to tell us something about your accounting work during this pandemic?”. 56 responses were received. Among these we mention:

- the hardest period
- I worked much harder
- we must be able to work even when we are sick; let’s not get sick because ha has no one tot replace us
- exhausting work
- exhausting fiscal changes
- we were discriminated by not providing financial incentives during the pandemic (compared to other professions)
- a lot of stress
- lower fee for higher workload; although I worked harder, the clients had nothing to pay me
- I don’t want to work from home anymore
- I felt the lack of socializing with colleagues
- I no longer had time to process documents, due to telephone conversations and preparation of documents for technical unemployment
- the phones rang day and night
- I was waiting for the Official Monitor to give quick answe to those who had to adapt to the changes
- remote work has become essential, but there are communication barriers regarding the provision of accounting documents by the beneficiaries of the activity
- ther was a great distance in the client- accountant relationship. It was very difficult for us to bridge the evolution from all points of view.

#### 4. Conclusions

The decrease in the activity of companies had influences on the accounting profession. Social distancing has required new solutions for the remote transmission of information for communication, networking and data retrieval.

Accounting is dominated by a professional identity based on permanent availability for the client's needs, despite the feeling of a flexible program. The financial-accounting activity must be carried out in compliance with the same rules as at the company's headquarters and in safe conditions, even if it is carried out from home.



The workload has increased, with new demands generated by technical unemployment and other requirements.

The pandemic had a negative effect on accountants, leading to an increase in stress and fatigue.

Many of the Romanian Accountants who answered the questionnaire did not receive benefits during the pandemic, worked more for less money, physically took over the documents, exposing themselves to risks.

This pandemic will change the accounting profession. Emphasis will be placed on technology and on the added value brought by data analysis, the accounting processing of documents will no longer be sufficient.

## 5. References

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