THE CONNECTION BETWEEN ECONOMIC INFORMATION AND THE INFORMATIONAL SYSTEM IN CREDIT INSTITUTIONS

CORNEAN ANDRA NICOLETA
WEST UNIVERSITY OF TIMISOARA, FACULTY OF ECONOMICS AND BUSINESS ADMINISTRATION
cornean_andra_05@yahoo.com

Abstract:
Thorough knowledge of the economic processes and activities has become the premise of the increased profitability in banking activity. This increase of profitability is not possible without organizing a banking informational system that has to be according to the current standards and that must ensure a continuous and quick flow of information.
Banking peculiarities and the deep analytical character of accounting, and also the increasing number and volume of bank transfers and the diversification of financial flows directions from this period of time have led to the association of accounting with computer science.
We are dealing with the emergence and development of computerized accounting and communication systems. These systems accelerate the financial and informational flows and also centralize all these activities in a bank.

Key words: *economic information; informational systems; credit institutions; financial flow; communication*

JEL classification: M40, M41, M42

1. GENERAL FACTS

All the processes associated with the economic globalization, whose main characteristic is the "reduced distance" due to the increasing speed of the material and financial movement and "dissolving boundaries" at least in the communication and material flows, require a change of the financial position of banks in the overall economic growth and also a growth of the importance of banking.

Financial flows are no longer in the shadow of material flows (they are not their consequence). Financial flows have gained, in recent decades, individuality and they even become independent. On the one hand their speed exceeded, due to computerization, the speed of the material flows and on the other hand financial transactions have become increasingly involved in creating consistent profits.

Banks, in their capacity node in the local or national financial networks, overcame their mediator condition between payers and beneficiaries, and they started to get actively involved in developing these flows both for clients and for themselves. The financial intermediation function interlace increasingly homogeneous with the transfer function, diversifying and exceeding the limits of mere all financial services.

Promoters of global computerizing together with other factors from different areas of the world's economy, bankers have become more than just money providers for their clients. They presently started to take over different functions such as the one of advisor, financial manager and dealer in the domestic financial markets and the international ones.

2. THE CONNECTION BETWEEN BANK ACCOUNTING AND AN INFORMATIONAL SYSTEM

Banking peculiarities and the deep analytical character of accounting, and also the increasing number and volume of bank transfers and the diversification of financial flow directions from this period of time have led to the association of accounting with computer science.

At the same time, computer science in banks has become a real specialization in this field which has a dynamic activity. All the available programs and applications inevitable contain accounting operations, regardless of the dedicated banking domain (lending, treasury, cash or funds transfer operations).

We are dealing, especially from the last decades of the last century, with the emergence and development of computerized accounting and communication systems that accelerate information and financial flows and also, in the accounting plan, it helps centralize this activity in banks. A bank activity was traditionally organized in relatively autonomous accounting subsystems at each banking unit which formed, by aggregation, the accounting system of a bank.

Computer science, in a bank, is, firstly considered to be a mean of production. Its first function is to treat banking operations such as deposits, loans or transfers in terms of clarity, speed, security and low cost. It is an imperative that is imposed by the competition and by an increasingly difficult environment.

But in an inherent approach, computer science is both a useful carrier of information whose main objective is to provide elements that allow the measurement of risks and profitability and in this way it ensures business continuity.

In order to satisfy the needs that are imposed by a competitive environment and also by the regulatory bodies we have to obtain a partial picture of the activity or a detailed inventory of the assets.

All the needed information are structured in such a way that they appear to be made in a hurry and beyond the earlier information usage. This thing happens due to the urgent reporting requirements.

The information system of a bank must be able to ensure the correct and urgent delivery of these types of atypical information.

For example, the national denomination, a process that took place on May 30, 2005, involved the migration, in one day, from the old national currency to a 10,000 higher value – this thing involved the division to 10,000 times of all accounting and management records of all the economic entities. Denomination was ultimately a process that had to be ensured by the informational system. The transfer to the new values had to be made error-free, so that, from 1 July, bookkeeping had to present the initial stocks, turnover and closing balances in the new monetary values.

The first possible affected banks were those whose analytical and extremely diverse evidence would have been impossible to convert in a single day without the involvement of computer applications specific to their activity. This happened because denomination regulation on the implementation occurred quite late, again.

3. THE STRUCTURE OF A BANK INFORMATIONAL SYSTEM

The conjunction of these two types of needs (the production of operations and obtaining the information) will lead to the design and installation by each bank's particular level of accounting and operational information systems whose features are as follows:

Table no.1 The features of accounting and operational informational systems of credit institutions

Element	Characteristics
1.Source of information	- banking operations (cashing, payment, transfer); - nonbanking operations (supplier payment, salary payment)
2. Completion of the transaction	-immediate; - as close to the source as possible; -standardized; -unique; -completed; -controlled.
3. Providing information	-information that are necessary to third parties; -information that are necessary to bank management.

The computer application that generates accounting records shall provide automatic control of a database; it has to be compatible with the rest of the system in order to ensure its completeness. It also has to ensure a validation system in order to prohibit unauthorized persons records.

The computer applications are addressed to specific areas of activity of the bank and should be relatively autonomous. It has to be an information subsystem that can provide quick and easy recording of all the information related to the activity for which they are created.

Of all these information, only some of it can be described as accounting information or statistics information.

The computer applications should therefore ensure all the information that is required by an efficient administration such as various options for calculating different parameters of a transaction (interest, fees, rate differences), it shall deliver documents that are useful for the management and accounting documents required by regulation or internal reporting system of a bank and last but not least it must harmonize management information with the rest of the information systems of a bank.

It is therefore necessary to design an aggregate informatics system that is capable of ensuring uniformity and stability in time of the information in a bank.

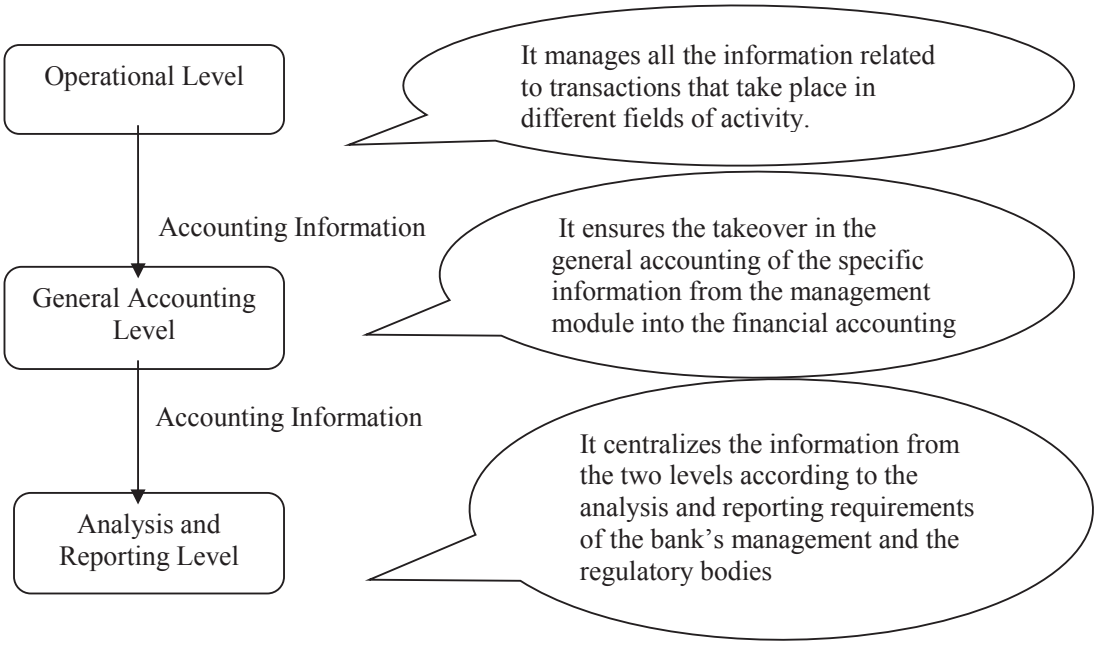
In general, bank computer systems are usually designed on the accounting and management typical structure that does not always apply evenly to other bank informational systems.

Therefore, a bank that buys such a computer system must customize its parameters before putting it into operation.

Financial and time costs of this investment are extremely high so that some banks prefer to design their own computer system.

Basically, a computer system of a bank is designed on three levels that are interrelated to one another (Fig. 1).

Figure no.1 The Structure of a Bank Informational System



In addition to all these levels, the informational systems should provide the informational accounting connection between different units of the bank and also between interfaces with other bank's information systems for example the national settlement system or the international transfer system (SWIFT).

Especially in the banking and financial system, the flexibility of the information system is a precondition that guarantees the quality and reliability of banking information flows.

4. CONCLUSIONS

Thorough knowledge of the economic processes and economic actions profitability of a bank became the premises of increasing profitability of a bank, a phenomenon that is in compliance with the requirements arising from the practical application of the market economy mechanism.

This increase in profitability is not possible without organizing a bank informational system in compliance with the current standards in order to ensure a continuous and rapid flow of information.

Banking information system undergoes a continuous process of improving and perfecting its main characteristics.

An efficient banking information system is reflected by the quality of the bank's information, the way how the products of a bank are respected and appreciated by its customers and the status of a bank's profitability.

In the future, a society based on knowledge and information will be a definite source of competitive advantage, in which organizations are called upon to intensify adaptability and innovation, as well as the processing speed of information in the context of globalization. Nowadays financial communication has an important place in the economic life.

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