

**Microeconomics**

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**MODERN REQUIREMENTS
FOR ACCOUNTING MANAGEMENT
FOR PROVISION PROCESS****Abstract**

The following article deals with the issue of accounting management for provision process and its main requirements, in compliance with high technologies. The background, stages and tasks are determined, to be met within the process of accounting management. The model of organization of the provision process accounting is constructed based on the system-wise approach.

Key words:

Accounting management, provision process, system-wise approach, document flow, electronic document management system.

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Problem statement: At any enterprise the issues of accounting procedures are under the jurisdiction of its owner (owners) or an authorized body (office holder) according to the legislation and constituent documents, therewith an accounting management of a separate segment consists in a targeted harmonization and improvement of the mechanism, structure and procedure of accounting. In addition to the series of publications regarding an improvement of accounting management of provision process, further research of certain areas is needed to improve and completely adopt the accounting to the current economic environment.

The correct task solution of operational and qualitative drawing of an electronic document's execution control, their elaborated preservation, search and usage take not the last place in ensuring the enterprises' management effectiveness. An electronic document flow is an exclusive electronic document-centered mechanism implementing the paperless records management. It is going to be considered in some detail in the present article.

Analysis of the latest researches and publications: A great deal of scientists conducted research in the accounting management, but just a few of them covered the detached issue of accounting processes management, carried in certain enterprises, including the provision process. O. Bondarenko, I. Farion, I. Perevozova, O. Kovalenko, covered just some facets of the provision process in detached sections, treating the stock accounting management and trade creditors' issues.

Setting objects of the article: The present article is aimed to carry the study of the issue mentioned and to elaborate the model of the accounting management of provision process, based on the system-wise approach in modern conditions meeting the requirements set before managers by changes in architecture of financial and economic relations between enterprises, technical progress, etc. Besides, the background and stages of the accounting management of provision process should be specified.

Content statement: A specified regulation of accounting records maintenance in departments and authorities, a subjection of an accounting system to fiscal purposes (i.e. revenue authorities) restrict the scientific researches and limit the development of an accounting process, capable to provide information requested to make day-to-day and strategic management. According to M. Pushkar, a strict accounting regulation is a manifestation of conformity and consequence of former planned economics [1, p. 144].

On the other side, however, business entities' independence enlargement stipulated the company's rights and capacities extension. In the meantime, the risk regarding the final results of their activity and an administrative machine responsibility for consequences of enterprises' economic activity increased. That is why an option for any

aspect of accounting management of material values should be made in a balanced manner, with due consideration to advantages and disadvantages of each option; at that, a high responsibility of every particular official for decision making is needed.

At the present stage of enterprises' economic development of relations between them in the provision area, the accounting management should meet not the standard and common operativeness, analyticity and accuracy, but the principle of complete practicability. According to M. Pushkar, an economic effect, obtained by information usage, serves as a criterion of expediency of information gaining. Up to the present day, an accounting system delivered services to the authorities past events, looking forward to a profit and ability to predict future on the basis of this information. It was possible, however, to get the glimpse of the future, based on these statistics, only extrapolating the past [1].

To make a strategic management of an enterprise in general and of its certain processes in particular, the basically new data base is needed consisting of terms of trend indexes in internal and external environment of an enterprise. To acquire such information on the enterprise's activity in the area of production assurance of economic resources, the management of provision process accounting should be rationally organized. To effect it, an availability of following preconditions is of the utmost importance:

- serious in-depth study of the production structure, technology and management;
- implementation of the accounting relations between separate enterprise structural subdivisions and account department (i.e. purchasing department, stock house, transport department, etc.);
- assessment of the volume of accounting work;
- equitable distribution of accounting work among accountants and employees in structural subdivisions;
- regular monitoring of the current developments in instructional and statutory materials and statutory materials regarding record keeping;
- antecedent highlight recording of provision process accounting in the Accounting Policy Statement.

Proceeding from the implications indicated, it is reasonable to examine the accounting management of incomings' provision process in brewing enterprises within the terms of following aspects:

- organization for financial, management and tax accounting of incomings and settlements with creditors;
- organization for accountant work management, concerning the incomings accounting (accountants, supply office employees, storekeepers, accountable people, etc.);

- permanent documentation issue on material values' availability and settlements with creditors;
- management of material values' accounting at the place of their storage and use (stock houses, storerooms, segments, etc.) and settlements with creditors;
- correct valuation of material values;
- accounting management for ordering costs;
- management for synthetic and analytic values' incoming accounting in the account department (ledger, sub-ledger and tertiary account determination, account registers' assessment, etc.).

The following stages forming the model building blocks are illustrative to organize an accounting management for provision process, based on the system-wise approach (figure 1).

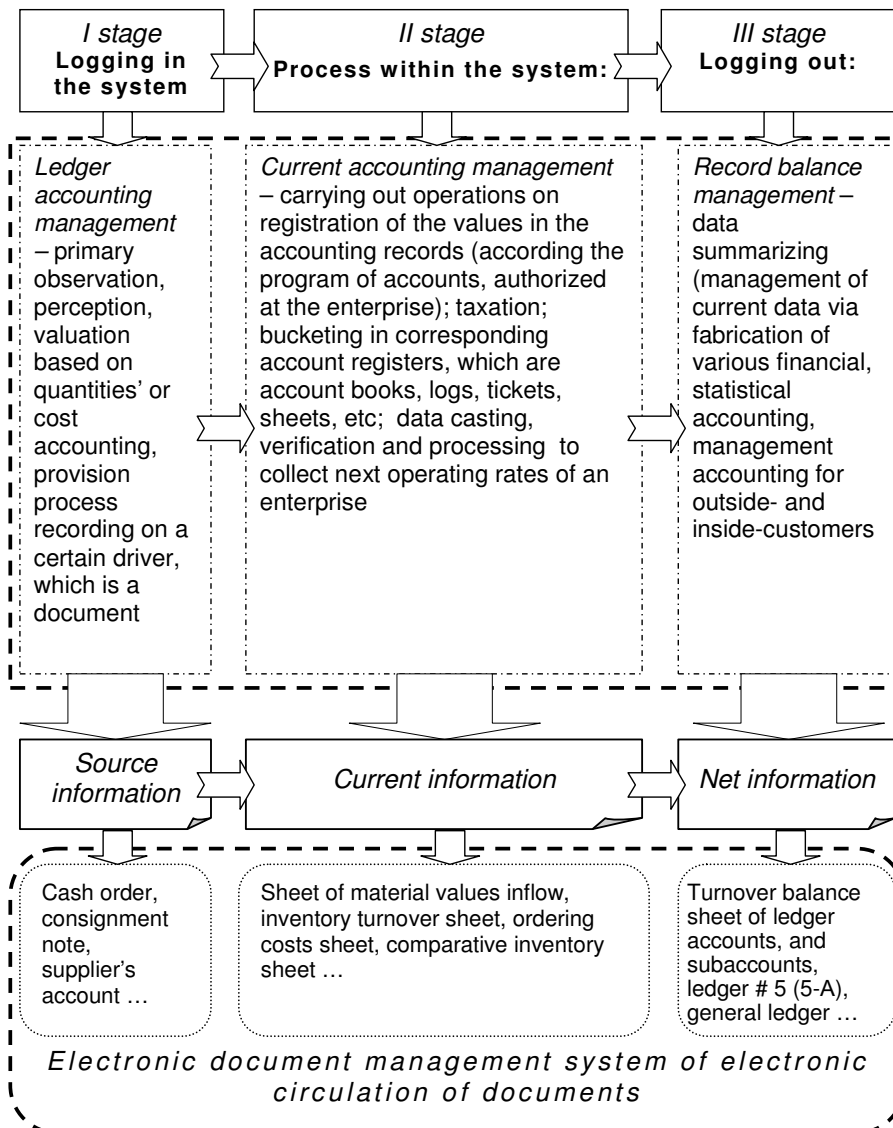
As is evident from the model developed, the accounting management system includes three stages: management for ledger accounting, current accounting and record balance management, each of which, when completed, provides certain information - source, current and net information respectively. Only with the electronic document management system implemented, the top management could have the relevant information just in time, promptly and in full.

As it was also noted, one of the questions of utmost importance regarding accounting management for provision process is organization for managerial accountants' work, which includes, beside accountants, materially responsible people and provision department employees, Assets Logistics employees, and department managers, effecting the values' accounting. In the very early stage of the management for values' accounting, the chief accountant needs to make out, adjust and approve with authorities the lists of people, accessory to the values' accounting process. These lists are to be renewed yearly, before the assertion of the Decree «On the enterprises' fiscal policy», and during the year when needed (when entering people in the list or excluding from a list). To make the work of these employees effective, the duty regulations and the schedule of document flow should be elaborated, pointing the responsible people across all the stages of movement of the documents filled in [5].

As for incomings' accounting management, the model of stock accounting should be primarily specified: whether it is perpetual or periodic. While organizing stock accounting according the periodic system, an accounting period is needed to be determined, i.e. frequency of physical inventory taking in order to determine an ending cash balance. In this context, the accountant's obligations are to assure the observance of incomings' uniform methodological assets, management for incomings' booking and settlements with creditors, to guarantee the state at stock account checking-up, and to take part in drawing up of documents on deficiency, inadequacy, and indemnification for inadequacy, perishability of material values of the company.

Figure 1

Model of accounting management for provision process based on system-wise approach



On the other hand, it should be kept in mind that an accounting management in stocks makes provision for completing the following tasks: assured effecting of the «acceptance-storage-distribution» process; operational control of stock condition (i. e. all stocks' real-time inspection: what is in stock, from where, when, and what is the price, what is amount of values and where they are laded; this information should be provided to employees in other departments); financial analysis of material inventory (backlog turnover determinants and balances, if rationed, are usually put under control).

All the activities as for inventories flow in the stock are controlled by the manager (storekeeper), which is usually accountable for assets. Whereas he obtains the enclosures (shipping documents, sales-invoices, etc.) along with inventories, he should book their influx in the log book and in the database program of the storage electronic system. During the acceptance process actual inventories' arguments reconciliation is effected, which comes with enclosures. It permits to actualize information about quantitative and qualitative representation of delivery lot through its identification. The identification can be made in terms of text-numeric information on labels, or barcode read out with portable readers or in other ways. Later, the due attention should be given to the fitting location of material values in the stock, for it is an indispensable condition of management of stock inward section. Granting the wide range of goods, kept in stocks, the right location could permit to create the adequate conditions and conservation regime, to cut down spending, increase the floor space capacity, allow to search promptly values' requested, to keep accurate accounting records of their availability, receipt, expenditure, to ensure their quality protection, etc. To make a rational storage, the allocation schemes, economically and technologically justified, should be developed. In allocation schemes, the permanent storage spaces are usually kept for material values of certain groups, subgroups, and item names. The item name code (reference, item ordinal, symbol, etc.) is assigned to each storage space with usage of different coding devices. They are marked by bright paint on the shelve stands, sections or on the floor. Section coding can be alpha-numeric or numeric, each symbol of which contains certain information. Codes for storage spaces are the required elements of the automated retrieval system, which are based on the corresponding databases. In this case they are used when supplies are arriving and are included into material control sheet (route card).

One of the basic elements needed to ensure an efficiency of managerial scheme of document provision, or electronic document management system. Modern technology permits to manage paperless flow of documents, but, as a matter of practice, electronic documents duplicate only the papers. As for management for inventories document turnover, the major task is to optimize the transmit channels and channels of communication of executing accounting offices. These channels include procedures from registering each medium (i. e. document) till generalizing characteristics of information flow (accounting reports). The point is that, while effecting accounting, documents are often surrendered from one operation to another not distinctly, but in blocks. That's why car-

rying out the rational media management should meet such requirements: minimum lag time between accomplishment of transaction and getting the data requested for enterprise's managing body; use of advanced methods and means of collection, passage and processing of certain accounting information; advanced planning and further administration; observance of date of performance.

The most common and widely applied method is a graph method of media turnover management. Nevertheless, the descriptive (textual) method can be also used in some cases. It is also appropriate to use table-driven graphics. In tabulated graphics only the capital ways of document circulation are planned, from operating executives to accounting department and remitting to the archives. Tabulated graphics are generally drawn in the economy field, according the topological feature (accounting of stocks, law value items, goods, etc.) and by subjects (supplies' inflow and issue).

The schedule of document management is drawn diagrammatically or in terms of enumeration of creation, audit and processing activity, executed by each enterprise subdivision, and by executors, specifying their relationship and terms of work execution. Employees draw and exhibit source documents, which are of their field, according the schedule of document circulation. To perform this, each executor is given an extract from the schedule. Documents included into everyone's duty, terms of their exhibition, and enterprise subdivisions, accepting the documents are listed there [4].

Monthly, accountable employees draw up a report on material values' flow, based on source documents, in duplicate and forward it to the accounting office along with profit and expenses documents. After a corresponding examination the duplicate is given back to an accountable person. Data on stock receipt and consumption, as well as data on the remainder of stock are to be basically written in numerical terms only. An accounting department carries out taxation (evaluation) and summary within the terms of value. The general accountant performs control of document circulation according to the schedule. The general accountant's requirements as for documents' exhibition to the accounting office or to the computing devices are essential for all departments and segments of the enterprise.

Thus, the schedule of document management at the enterprise is due to determine the optimum quantity of departments and executors every accounting provision process source document passes through, to define its minimum sojourn in a department (stock, purchasing department, Assets Logistics, planning section, accounting department, etc.), to encourage the improvement of accounting work, intensification of statutory accounting controlling function, to raise a level of its mechanization.

In view of general mechanization of all processes at the enterprises, the issue of document circulation is of the utmost interest, which means sequence of processes of creation, handling, departure, lodgment, receipt, saving, usage and

destruction of electronic records, effected along with the usage of integrity check and confirmation of the fact of document receipt, if needed [2].

Electronic document management systems ensure the process of creation, access management and distribution of large volume of documents in computer networks, as well as document flow control. These documents are often kept in special holds and file systems. Such systems support different file types: text documents, image data, spreadsheet, digital audio, video data and Web documents. An electronic system's implementation has for main purpose creation of an effective management shell and successful operation of business.

General capacities of electronic systems include creation of documents, access control, data conversion and data security software. Therefore electronic document management systems have a number of advantages:

- Implementation of the electronic document management system permits to enhance an enterprise efficiency by means of rational organization of document management;
- Available opportunities for teamwork on documents (which is impossible in case of paper documentation) and computerizing business processes, related on information interchange between executives;
- Great enhancement of document search and digesting (on different parameters);
- Decrease of risk of information leakage and data security software due to impossibility of the work of unauthorized workstation in the electronic system, but certain responsibilities are assigned to every user as to information access;
- Increase of preservation of documents and their saving convenience, for they are hosted;
- Improvement of document creation control, resulting in increase of transparency of enterprise activity and its manageability, capacity to come to balanced and operative decisions, based on current information.

Electronic document management system implication would permit, while effecting the provision process management, to profit from the integrated document base and general electronic base of correspondence or contacts, to make the computerized testing of agreements (and accounts), to carry out orders execution, to carry on work with counterparts and manage the counteragents' documentation, to maintain order in documents and give safe access for accounting people, for a warehouse, storekeepers, etc., to find all information requested as easily and quickly as possible.

For today, there is a great variety of software products, ensuring the electronic document management system at the market, and they can be divided into two groups: «constructor software» and «packaged software». The packaged solution connotes the standard version, matching to the main part of organizations. It can already meet the customer's requirements. As for the constructor, it consists of different modules and is set in a greater degree to the company's demands, which permits to take account of specific customer's requirements more completely. Despite certain advantages of the constructor it should be noted that setting up and tuning such a system is complicated enough, as, almost always, it requires involvement of experts from Software Company. In some cases even the partners of this company are not capable to set it up, satisfying all the requirements of the customer. Besides, the project of this system implementation will be much more expensive in comparison with generic solution. For the enterprises with traditional record management and flow of documents the packaged solution is more suitable, as this solution is tested by many customers, it takes account of customer's wishes and corrections. It is always completed with detailed documentation and common mistakes' list. It also costs less [6].

Nevertheless, the development and usage of electronic document management system has got certain deterrent conditions. The typical situation occurs when two organizations (often located in different places) exchange electronic letters in the process of contract preparation and agreement. In a number of instances after an agreement is made at the electronic level, parties start working on the common project, while contract signed by one party is sent by courier. The implementation of paperless document circulation is also restricted by the necessity of putting in additional security services. Besides, electronic document management requires the solution of a number of legal issues. The contractors-content providers can participate in the electronic surrender of documents. Provider's part in the electronic document management system requires solution for issues of his rights and obligations, responsibility for failure in duties, etc. It is rather important to determine the level requested of the system reliability. Application of cryptography funds requests obtaining special permission. Consequently, a complete excluding of paper documents from document circulation will not occur soon: a set of points should be settled to make it possible, related on admitting the legal validity of electronic document, producing the mechanism of electronic signature, which could expressively solve the problem of document's identification and authentication, and ensuring the availability of special IT-security services and modern electronic communication methods.

Summary: Summarizing all above-mentioned it may be concluded that the issue of the accounting management for provision process at the enterprises is of exceptional importance and it requests some great attention. The managers, who have at their command the strictly organized accounting system and the electronic document management system, have an opportunity to get information requested on the provision process and to make corresponding decisions as for

further manufacturing process and sales process, etc. Taking into consideration the due accounting process in Ukraine, it is required to put more emphasis on the management for the cost accounting provision process. The developed model of accounting management for provision process endorses the need to bring in the electronic document management system into wide use. It can reduce the time of information flow from source document to net information (managerial decision adoption), and therefore, favors dynamic response to the developments in the provision process.

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