A Research of the Small and Medium-sized Enterprise Accounting System ——In Shandong Province as an Example

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Abstract: This paper using factor analysis, correlation analysis, model analysis, network analysis and the ideological line theory with practice, combining the related statistical data, information with computer technologies, explores the current problems existing in the accounting system of the small and medium enterprises in Shandong province. Such as accounting system of the small and medium-sized enterprise is not perfect, financial accounting foundation work is weak, accounting means is backward, goal orientation of financial accounting work is not clear, accounting personnel quality is relatively low, confusion phenomenon in financial management is serious, and various management systems is not standard, etc. Due to the small and medium-sized enterprises in China's market economy has a very important, indispensable role, so the author thinks that perfect and effective accounting system construction of the small and medium-sized enterprise is the basis to guarantee the normal operation of the modern small and medium-sized enterprises, therefore we provide some suggestions to prefect the accounting system, such as to sound internal accounting supervision system, to standardize basic accounting system and to strengthen the accounting personnel continue education etc. And we reach the following conclusions: Only by constantly exploring, seeking the new method to perfect small and medium-sized enterprise accounting system, we can truly establish the accounting system conforms to the small and medium-sized enterprise characteristics.

Keywords: Small and medium-sized enterprise, Accounting system, Development strategy

1 Preface

Small and medium-sized enterprise (SME) in the economic development and social stability plays more and more important role. To promote the SME development has become an important issue in the current economic life. Along with the development of market economy in China, the new business and new situations are constantly emerging, especially the current global financial crisis makes market to be more competitive. Improving SME accounting system is beneficial to enhancing their comprehensive quality and the competitiveness, and it enhances the SME healthy development. But how to improve the SME accounting system in Shandong province, in order to enhance the SME comprehensive quality and the competitiveness, and promote the SME healthy development in Shandong province, domestic and foreign academic research on this topic has some weak spot. Therefore it has important practical significance that the research on strengthening how to improve the SME enterprises accounting system of Shandong province, and promote the healthy development of Shandong SME.

2 Texts

2.1 Sound SME accounting system has the important practical significance for promoting the healthy development of Shandong SME

The state council 20090919 released some Suggestions on further promoting the SME development, and clearly pointed out that the SMEs are the important strength of China's national economic and social development. To promote the SME development is the important foundation in keeping steady and rapid
development of national economic, and is the major strategic task relations to people's livelihood and social stability. At present the SME development meets with some difficulties, such as the financing difficulty, guarantees difficult, government in taxation, credit aspects of policy support can not be implemented, the enterprise economic benefit is bad, the losses increase, and other issues. All the solution to the problem will not be completed overnight, it need all levels, especially the small and medium-sized enterprise itself should take great efforts to study how to complete with their small to large, from weak to strong changes. Among the many issues, SMEs must first establish a sound internal accounting system.

SMEs are engaged in the production, circulation, service and other economic activities, their production and service is produced to meet the social needs, they are profitable economic organizations with independent operation, independent accounting, and lawfully established. The ultimate aim is to do a business for profits, but the premise is independent operation, through independent accounting to achieve purpose. Therefore the establishment of the accounting system is built all the necessary conditions for SME development. The sound and comprehensive accounting system can fully reflect the enterprise development, provide internal and external system data, and show that objective, quantitative results. Accounting work has its own characteristics, the accounting is measured in monetary unit, it makes all economic activity to continuously comprehensively and systematically recognition, measurement and reporting, and then provide accounting information. This information breaks all limits, no matter what your business, your product and your service is, also regardless of your size, finally it all formed the same product ----- accounting report. Internally, it reflects enterprise financial conditions in a specific date, operating results and cash flow for a certain accounting period; external, it is the enterprise communication tools and bridges. SME now still do not have foreign issuer and equity financing conditions, to bank loan is a better channel for financing. The bank is enterprise, also want to profit for the purpose. Although there has national policy guidance, but the bank will use various criteria to measure enterprise. Such as bank investigates enterprise management status for bank loans, the rigid financial index analysis should account for at least 80%. For the SMEs, in order to support the development of them, mandatory index can be reduced, but usually not less than 30%, so they should not only establish the accounting system, and also to perfect accounting system. In order to seeking development opportunities, SME must endure measuring and testing of all aspects, especially to endure bank's measurement and testing.

2.2 Financial accounting problems of SMEs in Shandong

2.2.1 SME financial accounting system is not perfect

SME accounting system is not perfect, so that SME accountants inevitably fall into confusion. The dual commitment responsibility of accountants, derived from the principal-agent relationship, it asked accountants while maintaining both the owners and operators of economic benefits and social benefits, perform the dual responsibility of accounting control and supervising operator. This often leads to financial and accounting personnel “standing live stand top, couldn't resist the stand”. According to China's current SMEs criteria, state-owned SMEs, collective enterprise, individual enterprises, township enterprises, private enterprises, etc, all belong to SME listed, most of them business owner and operator are one, the enterprise ownership and management are a high degree of unity, enterprise behavior target and objectives of business owners overlaps in a high degree. In most cases, enterprise owners manage their own business, that is, principal-agent relationship does not exist. Financial accounting personnel only accept owner entrust, supervise the economic activities of enterprise without deviation from the original enterprise goals, to ensure that enterprise owns self-interest maximization. In this case we still required that financial accounting work represents concern for all interested parties, and ensures to provide truthful and reliable accounting information for them, this obviously lacks theoretical basis and is proved to be not realistic, and this is a major financial accounting work drawbacks of SME.

2.2.2 Financial accounting basis is weaker
Basic accounting work is weak in many SMEs, the internal accounting system is not perfect and not rigor, causing confusion of enterprise financial management and accounting information distortion. (1)
Some companies do not set accounting organizations, some enterprises may have, but their personal responsibility is not divided, unlicensed mount guard phenomenon of accounting personnel is seriously, even accounting executives don't have professional technical qualifications. SMEs have imperfect accounting system, lack internal check, inspection other necessary financial management system. Accountants post responsibility is not clear, accounting is not standard, there has larger capriciousness in handling accounting matters, income, cost, profit are not real situation happen from time to time. (2)
Due to the weak basic work, leading to confusion in the accounts of some SMEs, distortion in accounting data, and the real property does not match account.

2.2.3 Accounting methods are backward
Part of the SMEs still account by hand, although some SMEs cited computerization technology, but the computer application level and efficiency is lower, mostly in the primary level, charge later without prior forecast, course control ability. And present computer software quoted in enterprise is mostly suitable for financial and accounting system, accounting software system used for the management is still very rare.

2.2.4 Many SMEs provide false accounting information, and chase their own benefit maximization
Some enterprises in order less or no tax payment, will use the accrual cash basis, delay to affirm income and expenditure, compiled a set of the losses of the enterprise information accounting statements to tax authorities; sometimes in order to obtain credit guarantee, they early recognize revenue accrual with powers and responsibilities, prepare another set of accounting statement compiling for banks and guarantee agencies, disclosure corporate earning information, in order to bank and guarantee agencies establish the faith in enterprise. Obviously, this receivable meet accountability relationship, to confirm the accounting principle of revenue and expense attributable to the period, has become the important means that many SMEs provide false accounting information and chase the self-interest maximization.

2.2.5 The target of financial accounting work is not clear
In China, there are a large number of SMEs, widely distributed in many industries and regions; they are playing an important role in the development of the national economy and social stability. So to improve the country's competitiveness, we must fully develop the SME. In view of this, from the perspective of accounting development, after the Ministry of Finance released in stages in the “enterprise accounting system”, “Financial Accounting System”, the study and formulation of SME financial accounting and financial reporting practices to strengthen SME accounting management, it appeared that Increasingly urgent. To do this series of work, we must first clear financial accounting objectives. The determination of financial accounting objectives of SME, not only directly relates to the value orientation of the accounting standards and the accounting methods and procedures for selection, but also is helpful for the perfection of accounting goal theory system.

2.2.6 Accounting team quality is low
According to statistics, in the SME accounting practitioners, it has the characteristics of accounting qualification for people with less than 30%, of people with the accountant certificate less than 10%, of people with the senior accountant almost zero. From the age of accountants, most are under 30 years old or above 50 years old. They are lacking in practice experience, either have old knowledge and behind financial concepts. Some SMEs after the restructuring use large nearing retirement or has retired old accountants in original state-owned and collective enterprise, most of these enterprise accountants are working in the sixties and seventies of last century, for new accounting knowledge accepts ability relatively weak, their knowledge update slower, and they can not adapt to new accounting requirements. They don't have the necessary computer knowledge, can't adapt to online filing required by the tax department. (3) In addition poor accountants focused continuing education, this results the he professional quality of accounting personnel of SME can not meet their quality requirements of rapid development, but also not match their status.

2.2.7 SME owners and accountants exist crony and family relationship
2.3 The suggestions to improve the SME financial and accounting system

2.3.1 Sound internal accounting supervision system

Accounting offices and accounting personnel should implement internal accounting supervision, in order to supervise accounting information authenticity, legitimacy of the accounting matters and enterprise personnel honesty. Accounting supervision system should meet the following requirements: First, the responsibility and authority of the examination and approval personnel, handling personnel, and property preservation personnel for working business accounting, accounting matters and economic business matters, should be clear, and should be mutually separation and restraining each other; second, enterprise should have specific mutual supervision and mutual restraint procedures for the decision-making and implementation of the major foreign investment, asset disposal, capital allocation and other important economic transaction and operational matters; third is the property inventory range, term and organization procedure should be clear.

Accounting supervision should be combined with the anti-corruption, in order to monitor enterprise personnel’s corruption, corrupt and extravagance behavior. In the enterprise accounting supervision process, we should monitor capital operation, production and operation, income distribution of the economic activities, and should resolutely stop and seriously deal with false accounts, in violation of financial discipline, extravagant and waste behavior, etc. Conditional SMEs can build internal audit. Internal audit is the activity that departments and units can use it to implement internal supervision, to lawfully check accounting statements and related assets, to monitor the budgetary revenues and expenditures true, lawful and effective, and to strengthen enterprise management and promote the improvement of the economic benefits. Also accounting work will accept the supervision of the enterprise internal audit and other related functional departments according to relevant provisions.

2.3.2 Standardize basic accounting system

At present, because financial supporting reforms in the public management system in our country are not yet available, the accrual-based budget accounting reform conditions to making the full implementation are not met, so we can take a gradual way to promote the SME reform. Using the accrual accounting basis, accounting reports provided by the financial statements are more accurate, comprehensive evaluation to the unit’s work performance can be more objectively and more accurate. At the same time, SMEs need to make and use budget as a means of financial control, not accrual, the budget can not be achieved.

Standardized accounting system for SMEs, we should pay attention to the following two points: One is the accountant course system. The bursary set by SMEs must be on the basis of centralization and unification, policies and regulations and financial system, can fully reflect the capital campaign, be helpful for organization accounting and can strengthen the unit’s economic management. The other is financial and accounting report system. In order to timely respond to an enterprise's financial condition, financial and accounting reports must be prepared and provided on time. According to the requirements the SMEs should prepare appropriate accounting reports, and improve the system of internal accounting report preparation, such as sole proprietorship and partnership enterprises need to prepare individual financial reports, joint-stock cooperative enterprises need to prepare capital position, labor conversion tables, distribution sheets and so on.

2.3.3 We should encourage and promote SME to use computer network to collect accounting required information.
Now the world has access to the information era, economy information and globalization push the economic integration in the world forward, and promote the formation of the new economy. In the new economy, network system provides market, economy, science, technology, management and other kinds of information with low cost. This is very necessary for SMEs accountants especially relatively remote, junior area. Therefore, the relevant departments should actively encourage and facilitate SMEs to use computer networks to gather information, urge enterprises to establish and perfect the management system, and gradually carry out the management accounting work. Through the network accounting personnel can collect overseas information relevant market, economic, financial, technology, management, logistics, personnel, and they can provide the information sorted out and analyzed to business leaders, managers and themselves for work using. From the network they can also know the volume index and the technical indicators of the relevant production, inventory and sales completed by business departments and online of every position personnel, and effectively monitor this, in order to ensure enterprise rules, tasks and target can be finished.

2.3.4 Strengthen accounting staff continue to education
Now many enterprise accounting personnel have obsolete knowledge and backward technology, can not adapt to the needs of the present situation. With the deepening of China’s economic system reformation, the continuous improvement of the financial regulations, the perfection of the accounting reform, the new accounting standards and the accounting system has promulgated, that accounting personnel accept the follow-up on-the-job education is very necessary. In China a large part of the accounting personnel have not systematic studied accounting expertise. Therefore it is necessary to strengthen accounting business education, continuously improve the professional quality of accountants, this will make accounting personnel have solid fundamentals and be able to do various accounting and management work. (3)

2.3.5 Set up reasonable accounting posts
In setting up accounting posts, SMEs should according to their business scale, volume of business and the characteristic in production organization and centralized management, following two principles: One is capable and pragmatic principles. About accounting offices and post settings, on the one hand, the SME should reasonably allocate staffs on the premise of guarantee working need, prevent overstaffing. On the other hand, accounting formalities and work procedure is simple and efficient, so various accounting methods and accounting means adopted should be concise and easy on the premise of accurate to reduce accounting costs. The other is the internal control principle. The internal control system is a mutual connection and inter-constraint work system caused by the different functions in a unit interior. Through the dual supervision of accounting business it achieves purposes in mutual audit, self prevent and internal control. Small businesses usually have two or three people engaged in accounting work, specific division with cashier, general ledger accounting, subsidiary ledger accounting, etc.

3 Conclusion
To sum up, sound and effective SME accounting system in the construction is the foundation to guarantee the normal operation of the modern SME, but to improve the internal accounting supervision system, standardize basic accounting system, strengthen accounting staff continue to education, encourage and promote SMEs use computer network to collect required accounting information, these and other measures are the key to construct perfect and effective SME accounting system. Therefore, in addition to the above measures, we should also continue to explore and seeking new methods, new strategies to perfect SME accounting system, thus we can really establish SME accounting system conforms to the Shandong SME characteristics This should be the author further research direction in the future, should also be concerned and researched by academic and economic circles.
Comments:
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