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Current situation of accounting information organization in small and medium enterprises in Tuyen Quang Province

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Abstract

The scientific organization of accounting information plays a crucial role in ensuring effective operations, as well as internal control and management of enterprises. However, many small and medium-sized enterprises (SMEs) currently face issues with the integration of their accounting information systems. These systems often serve only specific departments and lack cohesive, unified connections for information usage and provision within the company. Consequently, the updating of financial information and the reporting to relevant departments do not meet the information usage needs, leading to significant difficulties in making both short-term and long-term business strategy decisions. In light of these issues, the author researches the "Organization of Accounting Information Systems in SMEs in Tuyen Quang Province" from the perspective of financial accounting to elucidate the discussed content.

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1. Introduction

The scientific organization of accounting information plays an important role in ensuring efficient operations, as well as internal control and management of enterprises. However, many small and medium-sized enterprises (SMEs) currently face issues with the integration of their accounting information systems. These systems often serve only specific departments and lack cohesive, unified connections for information usage and provision within the company. Consequently, the updating of financial information and reporting to relevant departments do not meet the information usage needs, leading to significant difficulties in making both short-term and long-term business strategy decisions. In light of these issues, the author researches the "Organization of Accounting Information Systems in SMEs in Tuyen Quang Province" from the perspective of financial accounting to elucidate the discussed content.

2. Research history

Globally, there have been many studies on accounting information systems (AIS). Notable works include Ashari's (2008) ^[4] dissertation on factors affecting AIS in small and medium-sized enterprises (SMEs) in Central Java, Ali Alzoubi's (2011) ^[3] research on the effectiveness of AIS under ERP systems and its relationship with accounting information quality, Hazar Daoud's (2012) ^[5] study on AIS within ERP systems, and Ainon Ramli's (2013) ^[6] dissertation on the usage and satisfaction with AIS in the Malaysian hospitality industry. Additionally, Nancy A. Bagranoff and colleagues (2005) ^[7] examined the components of AIS, and the book by Romney and Steinbart (2008) ^[8] discussed the organization and management of AIS within organizations. In Vietnam, several authors have conducted significant research on this topic. Vu Ba Anh (2015) ^[9], in his doctoral dissertation at the Academy of Finance, investigated the organization of AIS in production and business enterprises under the influence of information technology, proposing solutions for improving AIS organization under IT conditions.

Ho My Hanh (2013) ^[10], in her doctoral dissertation at the National Economics University, suggested applying target cost management methods and establishing cost variance analysis reports according to responsibility centers in Vietnamese garment enterprises. Tran Dinh Khoi Nguyen (2012) ^[11], in an article published in the Journal of Economics and Development, studied factors influencing the disclosure of accounting information in SMEs in Vietnam.

2. Organization of accounting information

2.1. Organizing the selection of accounting policies

According to Accounting Standard No. 21, Accounting Policies are the specific principles, bases, and methods applied by an enterprise to prepare and present financial statements. Accounting Policies are selected based on the production and business characteristics of each enterprise to ensure accuracy and suitability for the enterprise's objectives. The characteristics of small and medium-sized enterprises (SMEs) influence the selection of Accounting Policies as follows: 1/ SMEs typically have small financial scales, limited fiscal transparency, and difficulty accessing bank capital. Therefore, the selection of Accounting Policies must align with their financial capabilities and the readiness of banks to provide loans; 2/ The types and industries of SMEs are usually diverse and adaptable to the market. The selection of Accounting Policies must be flexible to accommodate the fluctuations and changes in their business sectors. 3/ SMEs often have limitations in business strategies and do not frequently invest in new technologies. This necessitates that the selection of Accounting Policies meets the management and reporting needs under conditions of limited competitive capacity. 4/ SME operations often fluctuate with the business environment and are unstable. Hence, the selection of Accounting Policies must be adaptable to the rapidly changing business environment. 5/ Management structures in SMEs are typically lean, highly flexible, but may lack high managerial capability.

Factors influencing the selection of APs include: 1/ Corporate income tax objectives; 2/ Market information; 3/ Capital structure of the enterprise; 4/ Accountant competency; 5/ Financial scale and potential.

2.2. Organizing the accounting vouchers system and the process of circulating accounting voucher

According to the 2015 Law on accounting, "Accounting vouchers must include the following contents: name and number of the voucher; date, month, and year the voucher was created; name and address of the organization or individual making the voucher; name and address of the organization or individual receiving the voucher; contents of the economic/financial transaction that occurs; quantity, unit price, amount of the economic/financial transaction in number; total amount of accounting vouchers serving collection or payment of money in both number and words; signatures and names of the person preparing, approving, and those involved in the accounting voucher".

Organizing Accounting Vouchers: The organization of accounting vouchers in enterprises includes the following key contents: 1/ Building a system of voucher lists; 2/ Designing voucher forms; 3/ Organizing the process of receiving, making, processing, and rotation vouchers.

Organizing the process of receiving and making Vouchers: During business operations, economic and financial transactions arise frequently and continuously at different locations and times, leading to the movement, change, and transformation of the enterprise's assets. This information must be fully, timely, truthfully, and objectively collected and provided to relevant departments within the enterprise. Accounting vouchers used to record accounting entries must be legal vouchers.

Making accounting vouchers is the initial activity in the accounting cycle, aiming to record all arising and completed economic transactions in production and business activities, and the use of capital in any department of the enterprise using the enterprise's standardized form. Properly prepared accounting vouchers, ensuring legality and reasonableness, serve as evidence for the economic transactions that have occurred and been completed.

Organizing the process of rotation vouchers (Inspection, Rotation, and Processing):

1. Organizing Voucher Inspection: When accounting vouchers are received, the enterprise's accounting department inspects the contents of the vouchers;
2. Organizing Voucher Rotation: This establishes the "journey" from the "starting point" to the "ending point" of various vouchers, meaning where the voucher is made, then which department it is transferred to for processing, and finally, where it is stored and maintained within the enterprise. There is no specific process applicable to all enterprises, as it depends on the workload and management requirements to establish a suitable circulation process;
3. Organizing Voucher Processing for Accounting Book Entries: When using vouchers to record accounting book entries, vouchers should be classified according to the type of transaction, nature, location of occurrence, and subject. Vouchers must be timely and accurately recorded, reflecting the correct economic content of general and detailed accounts;
4. Organizing Accounting Voucher Storage: Proper organization of accounting voucher storage is essential for maintaining records and ensuring compliance with legal and internal requirements.

2.3. Organizing the account system, recording and processing transactions

The account system consists of the necessary accounts to be used. Each accounting unit may only use one account system for financial accounting as prescribed by the Ministry of Finance [46]. The account system is used to reflect information about the movement and changes of each type of asset, capital source, and the operational processes of the unit to meet specific management requirements. In essence, organizing the account system means that the enterprise constructs an appropriate system of accounts that is sufficient to reflect the accounting objects, manage those objects, and organize the recording of arising transactions based on the study and application of the issued account system regulations.

The organization of the accounting system in an enterprise includes the following tasks: 1/ Establishing the necessary accounts to be used; 2/ Approving the account system; 3/

Organizing the recording of arising transactions into the accounts.

2.4. Organizing the selection of the accounting form and the accounting book system

Selecting the Accounting Form

An accounting form provides specific guidelines for organizing the accounting book system. Based on the scale, characteristics of production and business operations, management requirements, the competency of accounting staff, and the capability to equip technical computing tools, the enterprise develops a suitable accounting form. According to regulations, "there are four accounting forms to be applied: the general journal, the voucher journal, the entry voucher, and the journal- ledger". In an IT-enabled accounting environment, enterprises typically adopt the general journal form and may also maintain additional accounting books of other accounting forms if necessary.

Organizing the accounting book system

Organizing an accounting book system is the selection of types of books used to record, systematize and store all economic transactions arising according to economic content and time, manual accounting, accounting books existing in the form of bound pages, accounting applying IT, accounting books existing in the form of files or databases attached to software for calculating and processing databases.

Principles for Organizing the Accounting Book System: Each small and medium-sized enterprise (SME) has only one accounting book system for an annual accounting period; At the beginning of the accounting year, a new book must be opened; at the end of the period or fiscal year, accounts must be closed, and books totaled; Manual recording; Recording on computers, printing books periodically for signatures, verification, and archiving.

The content of organizing the accounting book system includes: 1/ Establishing accounting book forms; 2/ Building relationships among the books.

2.5. Organizing the financial statement system

To compile and reflect economic information recorded in the accounting book system according to accounting objects and necessary economic indicators, meeting the management requirements of the enterprise and regulatory agencies, accountants must prepare financial statements (FS). The organization of the financial statement system must ensure the following principles: 1/ Compliance with the requirements and indicators in accounting standards for presenting financial statements. 2/ Financial statement templates must be designed to be simple and convenient for manual recording and the use of modern techniques, adhering to the basic accounting principles and requirements as

stipulated by the accounting regime for SMEs, ensuring comparability. 3/ The financial indicators in the FS must be practical, accurately reflecting the content and nature of accounting objects, suitable for the business and management characteristics of the enterprise, and arranged in a scientific and systematic order within a balanced relationship, meeting the information needs of users. 4/ Balancing and meeting the useful information needs of users. 5/ Preparing and organizing the public disclosure of statements on time.

The organization of the financial statement system includes: Organizing the preparation of statements; Organizing the public disclosure of financial statement information.

2.6. Organizing the storage of accounting documents

The Law on accounting 2015 specifies the preservation and storage of accounting documents as follows: 1/ Accounting documents must be fully and safely preserved by the accounting unit during use and storage. 2/ In case accounting documents are temporarily seized or confiscated, there must be a record along with a photocopy of those accounting documents; if the accounting documents are lost or destroyed, there must be a record along with a photocopy of the documents or a confirmation. 3/ Accounting documents must be stored within 12 months from the end of the fiscal year or the completion of accounting work. 4/ Accounting documents must be stored for the required period.

3. Current state of organizing financial accounting Information in SMEs in Tuyen Quang Province

3.1. Accounting policies applied

Based on a survey of SMEs in Tuyen Quang province, the data shows: 96% of SMEs are applying the accounting regime issued under Decision No. 133/2016/QĐ-BTC; 4% of SMEs are applying the accounting regime according to Decision No. 200/2014/QĐ-BTC; 82.7% of enterprises account for inventory using the perpetual inventory method; 17.3% of enterprises account for inventory using the periodic inventory method; 58% of enterprises use the first-in, first-out method for inventory valuation; 42% use other inventory valuation methods such as the specific identification method, weighted average method after each purchase, and the weighted average method for the entire inventory period; 57.3% of enterprises have made provisions for inventory devaluation; 42.7% have not made provisions for inventory devaluation; 55.2% of enterprises have made provisions for bad debts; 44.8% have not made provisions for bad debts.

The survey results related to the establishment of provisions by enterprises in practical accounting show that: 57.3% of enterprises have made provisions for inventory devaluation; 42.7% have not made these provisions; Additionally, 55.2% of enterprises have made provisions for doubtful debts; 44.8% have not made provisions for this type of debt.

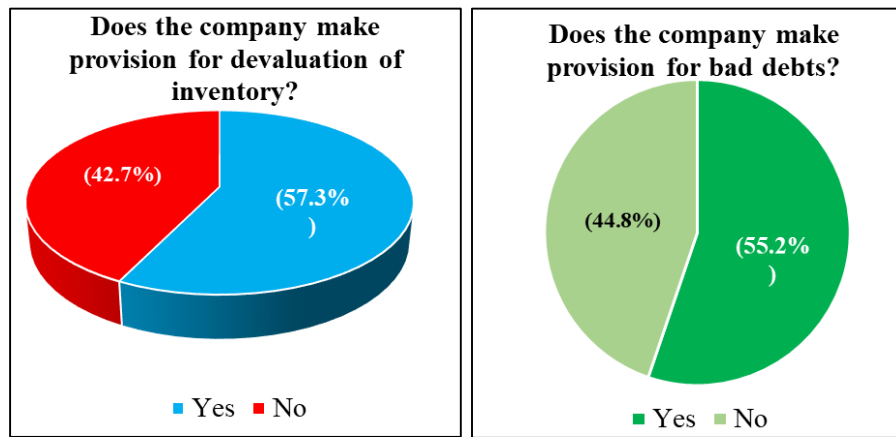


Fig 1: Organization of provision in SMEs

3.2. Organizing the application of the accounting document system

The organization of a reasonable accounting document system is crucial to the quality of financial accounting information within an enterprise. The current state of the organization of accounting documents in SMEs reveals the following:

Regarding determining the list of documents needed

Based on a survey of the organization of documents and initial recording in SMEs, it was found that 100% of SMEs in Tuyen Quang province have fully identified the types of documents required. These documents comply with current regulations and are suitable for their operational characteristics, accounting objects, and information processing needs. This ensures that documents are tailored to their practical activities and management requirements while meeting state regulations.

Regarding the design of document forms

Survey results on the accounting document systems currently applied in SMEs show: 63% of enterprises use document forms and regulations from the existing accounting regime; 23% of enterprises have independently developed their document systems; 14% of enterprises use both the documents from the existing accounting regime and their self-developed documents.

These results indicate that most SMEs in the province still use document types issued by the Ministry of Finance. However, some enterprises have designed their documents to suit their specific business characteristics.

Regarding the organization of the process of receiving and preparing documents

All surveyed enterprises have accounting documents with the complete signatures of relevant parties and the company seal. However: 36.7% of enterprises do not fully record all the required elements as per regulations; 47.5% of enterprises do not strike through empty spaces when recording. Additionally, 89% of enterprises have an open registry of signature samples for responsible individuals such as the treasurer, storekeeper, chief accountant, accounting staff, and the business owner. However, 11% of enterprises do not prioritize maintaining a registry of signature samples for responsible individuals.

For electronic documents, 100% of the surveyed enterprises use electronic documents related to e-invoices, procedures

for working with customs authorities, and with tax authorities, etc. In Clause 3, Article 26 of Circular No. 68/2019/TT-BTC, the Ministry of Finance stipulated that from November 1, 2020, businesses, economic organizations, other organizations, households, and individual businesses must register to apply e-invoices. However, the use of electronic documents in enterprises is still limited. Thus, the primary means of data collection in enterprises are traditional documents, which are paper documents used to prove the occurrence and completion of financial and accounting transactions rather than electronic data.

Regarding the inspection of accounting documents

To ensure the accuracy of the preparation of accounting documents and provide a legal basis for bookkeeping, it is crucial to inspect accounting documents. According to survey results, 95% of small and medium-sized enterprises (SMEs) in the province conduct checks of accounting documents before recording them in the books; the remaining 5% do not assign responsibilities, leading to errors in bookkeeping that affect the preparation of financial statements. Through in-depth interviews, it was found that the inspection of accounting documents is primarily performed by chief accountants and accountants.

Regarding organizing the rotation of accounting documents

Most surveyed enterprises (85%) have established a process for circulating accounting documents. However, in-depth interviews reveal that none of the enterprises have implemented these processes thoroughly and scientifically. These processes are generally informal verbal agreements rather than specific, documented procedures. Additionally, 15% of enterprises do not have any regulations for the circulation of accounting documents due to their small scale of operations.

Interviews with accounting staff indicate that while accounting software has been implemented, it is limited to the accounting department. There is no integration or data sharing with other departments, branches, or teams. Consequently, accounting documents are still circulated and approved manually between departments. After receiving documents from other departments, accounting staff must re-enter the data into the system. This process increases time and printing costs and is prone to errors, affecting the collection, processing, and provision of information.

For enterprises using accounting software, it is essential to

establish a detailed coding system for managed objects. The organization of this coding system should involve relevant departments within each enterprise to ensure scientific accuracy. Once established, the coding system must be used consistently across all departments.

In the process of applying accounting software, the accounting document system is generated by internal departments. It is no longer just input data for the information system but a result of processing a series of management functions and document approvals on the computer. This transition aims to improve efficiency and accuracy in handling accounting documents and data.

Regarding organization of document storage and preservation

The current status of document storage in small and medium-sized enterprises (SMEs) in Tuyen Quang province shows that 70.1% of companies store documents by document type and then by time, 26.6% of companies store documents by time and then by document type, and finally, 2.3% store them by accounting function and by occurrence time. Thus, most companies primarily store accounting documents by document type and then by time. The work of organizing information storage in companies mainly involves classifying, arranging documents, and organizing the storage room mainly in the company's accounting department, with very few companies having a separate storage room. The organization of document recording and monitoring, as well as the assignment of oversight and protection of the storage room, has not been given much attention by the companies.

3.3. Organizing the application of the account system

Most companies comply fully with the applicable enterprise accounting regime. The majority of SMEs in Tuyen Quang province use the Vietnamese accounting system based on Circular 133/2016/TT-BTC issued on 26/08/2016 by the Ministry of Finance. The accounting system is built based on the nature and activities of the company, applying classification principles, accounting according to regulations, and further coding detailed accounts in accounting software to facilitate management.

The choice and application of accounts follow regulations and fully reflect arising accounting subjects. 98.5% of enterprises fully comply with the accounting regime, while 1.5% comply partially and have also created some unique accounts.

Companies use the pre-established chart of accounts to open additional detailed accounts (level 2, level 3) for bookkeeping and reflecting economic and financial transactions. Accounts are coded in accounting software, and when an economic transaction arises, the accountant either directly inputs the relevant account or selects it from pre-installed options in the software. Additionally, companies open various other detailed accounts to meet management needs for specific accounting subjects in business operations.

In-depth interviews reveal that management accounting is not highly prioritized, so SMEs mainly rely on the financial accounting system (with additional detailed accounts) for bookkeeping, tracking, and report preparation.

3.4. Organization and application of accounting forms and accounting systems

The selection of accounting forms in SMEs in Tuyen Quang province, as surveyed, is summarized as follows.

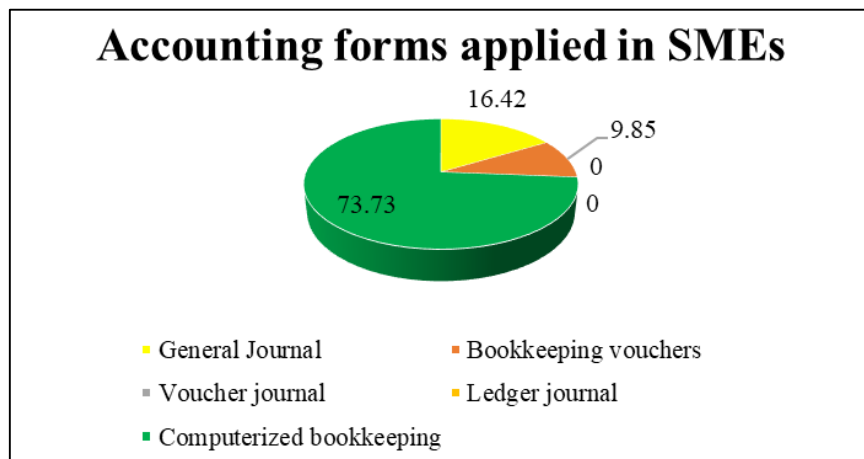


Fig 2: Accounting forms applied in surveyed enterprises

Based on the survey results, most enterprises use accounting software on computers and choose the General Journal or the Journal Voucher method for their accounting records. Daily, based on verified original accounting documents and the objects that need detailed tracking, accountants update the software in chronological order. The computer simultaneously records financial and economic transactions or aggregates similar transactions into the detailed data set. At the end of each month, quarter, and year, the computer sums up the data in the aggregated data file to produce accounting books, detailed accounting cards, and compile detailed summaries for each account and the financial statements. The survey indicates that enterprises select an

appropriate accounting method based on their specific characteristics and conditions. Accounting tasks are performed using computer software, which reduces the workload of the finance and accounting department and facilitates the correction of errors.

According to the survey responses, 76.72% of enterprises do not print accounting books monthly but rather annually, leading to risks of data loss if the accounting software encounters issues before printing or backing up the data. This also causes difficulties in related departments, as they might arbitrarily modify, add, or adjust data from previous months or quarters. Despite using accounting software, recording transactions in the books is not free from errors, such as

incorrect data entries, omissions, duplicate entries, or incorrect account assignments. If errors requiring correction occur within the month, the corrections are made directly in the accounting software. If some errors are discovered after the books are closed, the responsible accountant notifies the administrator to make the necessary corrections, which are monitored by the administrator and the books are locked again after the corrections are completed. When errors in data are detected, most are identified and corrected directly from the documents on the computer without reflecting the adjustment entries in the books. This depends on the software design. Most software developed by Vietnamese experts is designed to allow "flexible" corrections, meaning that errors can be corrected directly in the books or by referring back to the original documents.

3.5. Organizing the application of accounting statements first, organizing the preparation of financial accounting statements

100% of small and medium-sized enterprises (SMEs) fully comply with the submission of financial statements, including the Statement of Financial Position, the Pro-forma Income Statement, and the Notes to the Financial Statements. However, regarding the Cash Flow Statement, most small enterprises have not fully prepared it. Nevertheless, many enterprises still have issues, such as certain indicators in the financial statements not fully reflecting the data. Specifically, in the Statement of Financial Position, the indicators for short-term bad debt provisions, inventory devaluation provisions, and long-term financial investment devaluation provisions often lack data because the enterprises do not establish provisions for these indicators. Most SMEs prepare their financial statements periodically at the end of the year.

Second, organizing the disclosure of financial accounting information

All SMEs comply fully with the submission of annual financial statements to the relevant tax authorities, statistical agencies, and business registration offices.

Third, Organizing the Analysis of Financial Statements

In general, the accounting reports of SMEs in Tuyen Quang province are relatively suitable for the characteristics and operational models of the units. However, financial statement analysis is not given much attention. The analysis content is often very general, and as a result, solutions for cost-saving, waste prevention, and improving operational efficiency are not effectively presented and lack persuasive impact. Companies have not developed systems of indicators and ratios for analyzing business operations.

3.6. Organizing the storage of accounting documents

Survey results of SMEs show that 20% of enterprises number their accounting documents sequentially and file them in chronological and economic order. These documents are kept by the accounting department and later stored in the enterprise's archive for the prescribed period before being destroyed. However, 80% of enterprises still follow arbitrary procedures for storing and preserving accounting documents. Specifically, paper documents, after being classified for computer entry via accounting software, are not sorted before storage. Documents created on a computer and printed on paper are usually produced in a single copy for the customer, with the accounting department only storing the content of these documents digitally rather than keeping printed and

signed copies. Additionally, many long-term stored accounting documents and materials are not destroyed even after their retention period has expired.

4. Conclusion and Recommendations

4.1. Conclusion

Through the analysis of the current state of accounting information organization compared to existing legal documents, SMEs in Tuyen Quang province have flexibly and appropriately applied these regulations according to their characteristics and scale. However, notable shortcomings still exist in the accounting information organization of these SMEs:

First, the survey results on the selection of accounting policies show that enterprises, when applying accounting policies, do not analyze the long-term impact but focus on short-term benefits such as optimizing tax benefits and accessing bank loans. This approach has a negative long-term impact, reducing the business efficiency of the enterprises and affecting their reputation.

Second, the process of rotation accounting documents has not been formalized into written procedures. The application of digital transformation in the rotation and approval of accounting documents is limited, with no connection or data exploitation with other departments. The storage of accounting documents mainly takes place in the accounting department of the enterprise.

Third, the account systems of the companies have not been developed to integrate financial accounting and management accounting.

Fourth, the design of detailed accounting books is incomplete and inconsistent in terms of both the number of books and the indicators reflected in them.

Fifth, enterprises do not prioritize the analysis of financial statements. The analysis is mainly conducted to meet the requirements of bank loans, credit institutions, or to provide information to the board of directors for evaluating or summarizing production and business activities, rather than for managerial decision-making purposes.

Sixth, enterprises do not pay sufficient attention to recording, tracking stored documents, and assigning proper oversight and maintenance of the storage facilities according to regulations.

4.2. Recommendations

Improvement in the Organization of Accounting Policy Selection

SMEs currently tend to apply accounting policies (APs) more frequently and commonly to achieve various management objectives. However, in essence, the application of APs to adjust a company's business results is merely a technique for shifting profits from one period to another in accordance with accounting standards and regulations. The reality shows that SMEs, when selecting APs, focus only on short-term benefits such as optimizing tax advantages, attracting investors, and accessing bank loans, without considering the long-term negative impacts. Therefore, to ensure the company's effectiveness in both the long and short term, when organizing the selection and application of APs, SMEs need to improve the following fundamental aspects: 1/ the choice of accounting methods, the timing of revenue and expense recognition, and accounting estimates; 2/ the timing of investment, disposal, or sale of assets.

Improving the organization of the accounting document system

Enterprises need to establish procedures for the rotation of accounting documents. It is essential for enterprises to clearly define in written form the process of document rotation to facilitate accounting tasks. This includes specifying roles such as document preparers, reviewers, and approvers. Additionally, there should be regulations on the types of documents used, the timeline for document rotation, and sanctions for non-compliance. To ensure these tasks are performed effectively, enterprises should issue specific guidance documents, preferably using tables and diagrams, to help accounting personnel understand the document rotation process for each accounting task and all activities within the accounting department. The development of document rotation procedures should be based on the following criteria: the scale of operations, organizational management characteristics, and the structure of production and business operations within the enterprise; the actual situation of the accounting department's organizational structure, relationships between departments within the accounting system, and the organization of information systems within the enterprise; the characteristics of each type of document and the types of economic transactions reflected in those documents.

In the context of digital technology transformation in accounting, there should be a plan for the efficient use of electronic documents, along with regulations on data security for computer-generated documents. Moreover, a reasonable document encryption regime should be implemented to ensure the security of accounting documents. Currently, the primary means of information gathering in enterprises are traditional documents, with the use of electronic documents not yet widely adopted.

Improving the organization of account application

The account system is used to systematize information on the financial economic activities of enterprises, serving the preparation of financial statements and management accounting reports of enterprises. Within various enterprises, improving the organization of the account system and its utilization meets both financial accounting and management accounting requirements. Based on the established account system, enterprises need to select and define the necessary

account system that aligns with the production and business operations of the enterprise, as well as the management and expertise level of accounting personnel. The account system includes primary aggregated accounts (level 1, level 2) and detailed accounts to monitor specific accounting objects to meet both financial accounting and management accounting needs, providing information for management and operational purposes within the enterprise. To enhance the organization of the account system within enterprises, the following directions should be implemented:

For the system of accounts used for financial accounting of SMEs, it must meet the following requirements: (1) be built based on a unified account system according to regulations, suitable for the business characteristics of SMEs, and complete with general and detailed accounts serving both financial accounting and management accounting; (2) comply with current financial management and tax regulations; and (3) be simple, easy to use, easy to apply, and suitable for the professional level of accounting staff.

For the system of accounts used for management accounting, SMEs need to organize and develop a detailed chart of accounts for collecting, analyzing, and providing information for management accounting. In specific accounting sections, it is necessary to clearly define detailed accounts down to level 3, level 4, level 5, etc., as follows:

For managing accounts receivable: detailed accounts should be opened to track each customer's short-term and long-term receivables within payment terms and overdue periods, aiming to obtain information about outstanding debts, payments received, and outstanding balances from customers. Therefore, each customer in the accounting system must be encoded with specific numerical conventions. Similarly, accounts for advances received, goods in transit, and payables should also be detailed according to consistent principles.

For business management expense accounting: detailed accounts should be opened for each type of business management expense, categorized by location and type or group of goods. Initially, based on expense management requirements, determine the number of detailed accounts for expense management. This allows for detailed tracking by department, business location, product group, and specific expenses, utilizing common accounts with financial accounting. According to the general scheme outlined below:

Table 1: Details of levels

| Account level 1 | Account level 2 | Account level 3 | Account level 4 |
|--|--------------------------------------|-----------------------------|--|
| The cost of unfinished business production | Details according to cost categories | Details for each group/item | Details for each location where costs are incurred |

Improving the organization of applying accounting forms and developing the accounting book system

Organizing a scientific and reasonable accounting book system is important in organizing the accounting work of an enterprise. It serves as the basis for providing complete, timely, and accurate information on the current status and changes of accounting objects to meet the requirements of enterprise management. Presently, the accounting booking systems of some enterprises in the province do not adequately meet the requirements for collecting, processing, and providing information for management accounting, necessitating the improvement of detailed accounting book systems to provide information tailored to each management

object, department, and type of activity. To meet these requirements, it is necessary to determine the number of accounting books to be opened. The quantity of books depends on the nature of the transactions. In addition to ledgers used for financial accounting, additional detailed books are required for expenses, revenues showing actual and planned figures, variable and fixed costs within expense categories. This forms the basis for evaluating the performance of various departments.

Improving the organization of the financial accounting statement system

Enterprises need to enhance awareness regarding the

importance and position of financial statement analysis. Organizing financial statement analysis must be conducted systematically and regularly according to a predefined plan, with clear assignment of responsibilities for those responsible for analyzing financial statements. According to Vietnamese law on accounting, one of the tasks of accounting is “*Analyzing accounting information, data, proposing solutions to serve the economic and financial management decisions of the accounting unit*”. Therefore, the chief accountant is responsible for organizing, directing, assigning, and planning the analysis of financial statements and other reports.

Improving the organization of accounting document storage

Accounting documents, including accounting vouchers, must be fully and safely preserved by the accounting unit during usage and storage. Enterprises must specifically outline the tasks to be carried out during the preservation and storage of documents. The author proposes several tasks that should be performed in the process of preserving and storing accounting vouchers, as follows:

- Develop a list of accounting documents that must be preserved and stored at the unit;
- Organize the classification and arrangement of the accounting document storage system by document file;
- Organize the classification and arrangement of the accounting document storage system according to the time of completion and the operational status of the unit;
- Assign responsibilities to individuals and units responsible for the preservation and storage of accounting documents;
- Establish regulations on the preservation and storage duration of accounting documents.
- Depending on the type of accounting documents, the duration of preservation and storage is regulated to be either long or short. Currently, accounting documents must be stored for the following periods:
- Accounting documents used for the management and operation of the accounting unit;
- Accounting documents that are vouchers used directly to record in accounting books and prepare financial statements, accounting books, and annual financial statements (unless otherwise specified by law) must be stored for a minimum of 10 years;
- Accounting documents of historical value, and of significant economic, security, or defense importance must be stored permanently;
- Accounting documents that have exceeded the storage period as stipulated by this regime, if there are no other directives from individuals or competent state authorities, may be destroyed as decided by the head of the unit. The destruction of accounting documents that have expired storage periods must be carried out fully and in accordance with the prescribed procedures.

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