

The necessity, organization and administration of management accounting within the SMEs

❖ ANCA BRATU ❖

Abstract: For the development of SMEs competitiveness in the present context of Romania's integration in the European Union, we consider that a good management of the enterprise, a process in which the management accounting has an essential role, is absolutely necessary.

Key words: manager, professional accountant, accounting management.

The contribution of the SMEs to the economical development of our country is of great importance in regard to the labor force market and the creation of the gross value added.

Starting from the limitation of financial accounting in providing information regarding only the costs registered after their nature, and the knowledge of costs is compulsory for making managerial decisions in an enterprise, the organization of an accounting management in view of satisfying the informational needs of managers is necessary. In this sense, the Romanian legal regulations

also impose all enterprises the organization and administration of the accounting management adapted to the activity type.

There is yet to be made a distinction between the organization and the administration of accounting regarding the person responsible, the enterprise administrator being responsible for both of the activities. In the specialized literature, a clear distinction is made regarding the responsibility for the two activities: "according to the law, the administrator is responsible for the accounting organization and for book-keeping only when the unit lacks a financial-accounting

compartment and it does not use authorized natural and legal persons.”

Thus, while the administrator is in charge with the organization of the accounting management, the professional accountant is in charge with its administration.

The accounting management provides necessary information for elaborating internal reports and analyses used by the enterprise administration in making decisions; the presentation and analysis requests offered by the accounting management are not restrictive.

The organization of accounting management is a process through which the prospective and retrospective evaluation base of the enterprise activity is provided. In the frame of this project the obtained information must satisfy the existing information need, as well the ever changing needs.

The procedures and techniques used in the accounting management organization are established according to the qualitative characteristics of the information requested by the users, as well as the particularities of the developing activity.

We present a possible accounting management organization according to the following stages:

- *Choosing the type of accounting management;*
- *Choosing the information application;*
- *Forming the staff;*
- *Establishing the work procedures;*
- *Implementing the system;*
- *Monitoring the system;*
- *Improving the system.*

As we mentioned in a previous paragraph, the professional accountant holds the key position in the accounting management organization. The impact of the professional

accountant on the decisional process of the enterprise can be measured by analyzing the degree of involvement in each stage.

In this context, the role of the manager is to express his information needs and future plans for the enterprise he is managing. On the basis of the information received from the manager, the professional accountant elaborates the organization process of the accounting management.

Choosing the type of accounting management

The accounting management is organized by the administrator of the legal person either by using particular accounts or by developing accounts from the financial accounting or by using an own technical-operative book-keeping, as provided by the legislation in force. Thus, every enterprise has the possibility to choose the optimal organization method. The professional accountant directly involved must:

- know the activity of the respective company to the smallest details in order to evaluate it regarding its organization.
- know the managerial information needs, as well as the future strategic plans regarding the managed enterprise.
- offer optimizing solutions for the internal reporting, which involves good knowledge of the enterprise regarding the reporting, activity, practice history etc.
- choose an accounting system motivated by economical reasons and not future subjective of the professional accountant (for example: the facility of working with a certain information application, choosing an internal reporting method that can make his work easier or from financial reasons).

Choosing the information application

Based on the previous decision, this stage implies:

- the analysis of the permission of the accounting information application currently used to develop the accounts in the financial book-keeping according to the information needs;
- the analysis of the management information application currently used;
- the development of an own technical-operative book-keeping.

Forming the staff

More than the material resources, the human resources are the ones that guarantee the success of the system. The role of the professional accountant is not to find these persons, but to communicate their profile. The rigor, conscientiousness, intelligence, special studies are just some necessary characteristics for the human capital involved in this process.

Establishing the work procedures

We understand by procedures the complex of rules meant for leading the good running of business.

Having as starting point flow-charts (the position of each employee in the enterprise), as well as attributions, mentioned in the job description, the necessary connections regarding the information, documents, responsibility and responsibility delegation flow can be made, beginning with the person the introduces the first information in the system and ending with the person that makes the final decision.

The role of the professional accountant is to identify the possible optimal connections and, finally, to establish the necessary work procedures. The synthesis ability, the degree of detail analysis and of comprising in the process, the ability to view as a whole the accounting activity represent major qualities of this person. His professional knowledge in the field of accounting, but also in other related domains, must be solid because his work effected in the rules established in this stage will be validated in the implementing and monitoring phase of the entire process.

Implementing the system

This stage implies the training of the staff, as well as the effective implementation of the system. The training can be made in the unit by the professional accountant or by external organizations (for information applications). The effective implementation of the system implies the activation of the work procedures with the help of the information applications and of the staff under the direct supervision of the professional accountant, taking into account the internal practices validated by the enterprise.

Monitoring the system

The system monitoring must be made incessantly in order to acknowledge the performance degree that can be corrected. An attentive monitoring can have as a consequence the redefining of the objectives, of the work procedures, improving them as a response to new problems identified on the way or based on some changes that interfered.

The system monitoring shall be made by all those involved in the activity and the

professional accountant will permanently analyze if the results of the system are according to the informational needs of the management. A proficient and sustained evaluation of the system is necessary in order to prevent the delivery of imprecise and distorted information.

Improving the system

It implies the application of corrective management in the stages where there is lack of accordance with the needs. In order to assure the efficiency of the system, certain corrective or preventive actions will be made.

Based on the business size, at the enterprise level, an internal audit department can be organized; its activity reported to the created system will have a positive effect on the good running of business.

In conclusion, the understanding of the internal mode of a business organization, of its complexity, as well as of its informational book-keeping advantages is absolutely necessary. The professional accountant activity has long exceeded the information production stage, being engaged in other related domains as: business strategy, organizational management, informational technologies.

The professional accountant must be competent, professional, objective and efficient.

His work means reporting financial-accounting information to the decisional factors, followed by the long-term planning strategy, the management of accounting and fulfilling the financial tasks, internal consultancy, short-term budgets, economical-financial analysis etc.

In order to make the best decision, the professional accountant must know really well the running mode of the respective business and must take action for benefit of the enterprise. Thus, the objectivity of the professional accountant is put to the test. An important aspect is the evaluation activities of the professional accountant at the enterprise level. Thus, the validity, the fairness, the realness, the fitting into the budget and the data and information security is assured.

Through this paper we wish to emphasize the major role of the professional accountant in identifying, processing, measuring and communicating information. In this sense, the professional accountant must offer proficient professional services by maintaining his own knowledge and professional abilities to the necessary level.

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