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The Construction of SME Accounting Information System

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ABSTRACT

SMEs have become an important part of the national economy, but the accounting information of SMEs in China is still relatively at a low level, and unable to provide timely and effective financial data analysis for the business management layer, and limit the decision-making capacity of SMEs, thus losing the advantage of the competition in the market's survival. In this paper, a number of corporate accounting information system to analyze the main problem that the accounting business process defects of SMEs, and lack of systematic network and the old concepts of management, and proposed that the enterprise should first restructure the accounting business process, improve network, reasonable application of ERP and other areas to build the corporate accounting information system, making the SMEs get better decision-making information.

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1 Introduction

SME is an important part of our national economy construction. Statistics indicated that our country small and medium-sized enterprise's quantity accounts for the actual total number of enterprises at present 99%. The small and medium-sized enterprise generally refers to the scale to be small or to be at the undertaking stage. The enterprise in the growth stage includes scale in stipulation standard following legal person enterprise and natural person enterprise. Looking from the actual management, the small and medium-sized enterprise management scale is small, enterprise's sales revenue and the total property are also low, most small and medium-sized enterprises were still at the development phase.

Compared with large enterprises, lack of financial support, less competitive small and medium enterprises want a highly competitive modern market economy to survive and develop. In the absence of technology and insufficient market share, they must rely on improving enterprise management level to achieve. Enterprise information is the basis of management decisions. Business decisions rely on information of 90 percent of the company's financial information. Correct decisions must have a lot of information as a basis. Therefore, SMEs especially need the accounting information system to improve management decision-making capacity.

Accounting information system is the information processing system after the realization of computerized accounting. Its core is powerful accounting software. Its role is not to use a computer to replace manual accounting activities but to get rid of simple and complicated accounting professionals, data processing, to focus more energy on depth analysis of accounting data, order to be able to detect even in the financial management of the business problems that may exist for corporate management to accurately forecast market and business decisions to management to provide detailed and reliable data.

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There are many studies of accounting information systems, Wang Yifan mentioned in his book “the social and technical accounting” that accounting has two properties: the social and technical. Yan Dawu thought that “accounting software transformed from the accounting model to be managed is based on both the accounting functions of the accounting management functions such theories”, accounting software needs to be established before, during, and afterwards the whole process of management system, thus changing the original single in the main function of accounting; Dong Wendong pointed out in “characteristics of the system integration of financial operations” that “Integration of financial operations of ERP system is essentially a subsystem, but the system contains ideas and philosophy of management is exactly the same with the ERP”; Xia Xiujuan pointed out in "ERP environment, improve the function of a computerized accounting system," that "not only in the computerized accounting system within the various modules fully integrated with the ERP system but also the supply chain and manufacturing systems seamless integration."

These results indicate that the accounting community determines the direction of development of accounting, under information technology's unceasing impetus, the accounting information system need better integration enterprise comprehensive service information, to provide the decision-making for managers.

2 China's Current Status of SME Accounting and Information Technology Issues

As the lack of enterprise funds, management idea backwardness, Most of China's SMEs still follow the original financial approach, manual, duplication, inefficient. Even if some companies set up accounting information system, but defects in management thinking, can not to substantively address the issue of accounting information, failed to timely and effective to provide information services, consulting and decision support for enterprise. In sharp contrast, in large enterprises have built a complete information system network, effective use of computers to complete daily accounting operations, but also effective use of accounting information system to provide large system analysis of historical data to assess the past controls the current and predict future economic activity.

2.1 Business accounting operation flow existence flaw

Corporate cash flow with the flow of logistics, there is an existence of defect that the company's cash flow information often lags behind the logistics information. "Financial Account" and "in-kind account" are separated from each other. SMEs, due to their smaller volume of business, the financial system is not perfect, the company's financial accounts, financial reporting often lags behind the occurrence of phenomenon, when a particular transaction occurs, simplified version of the economic history of the business information is sent to the accounting department. So that enterprises can not control the production activities from the financial analysis of business data. This is because the accounting data is usually acquisition after the business, rather than real-time acquisition of the business occurs; accounting data processing is to sort the collected data lag, posting, aggregation, reconciliation, etc. Financial report can not be directly used, must be processed in order to submit a number of the background to the users hands. Accounting information lag make the managers can not get the information the accounting information system, so they can't make the right judgments.

2.2 Accountant the network lacks the systematic characteristic

Networking is the premise of accounting information, the data indicates that systemic accounting information system and network level is not high, the various subsystems within cannot share data fully in the accounting information system, resulting in a tremendous waste of information resources and human resources. In accounting and analysis process, there will be exchange of data between departments, or to submit relevant information to higher authorities. In the traditional computerized accounting system, only through the print data or reports submitted by way of a floppy disk. This will increase the data transmission cycle, but also because of data error report printing, floppy disk damage and viral infections and other factors, resulting in inaccurate accounting data and errors. Contrary to the requirements of accounting network, SMEs are lack of coordination between the accounting information systems [0]. Selection of accounting software is usually limited to use in the financial sector, others such as personnel, production, purchasing and other departments with accounting information generated by closely linking to information can not achieve good convergence. Meanwhile, outside the enterprise information systems division, still a large number of economic businesses issued by the labor, delivery documents, For example, tax returns, companies still hold the printed periodic financial statements to the tax authorities to declare taxes.

2.3 Understanding of accounting information systems are biased

SMEs, due to lack of management capacity, enterprise information objectives are not clear, do not understand the management problems of restricting the role of business development, do not understand the information that can be resolved is the management problems, so the enterprise get into "IT black hole." Understanding of accounting information systems are biased, mainly in small and medium enterprises, they don't have clear understanding of the concept of information, the understanding of the information is too simplistic, and hold high expectations of the implementation of information technology projects, the information equivalent to the transformation, such as software selection in the blind pursuit of high-grade and high-functioning, not aware of the trade restrictions, existence of unrealistic idea of the implementation of information. Example, that information can solve all problems, information

systems can replace the entrepreneurs and managers, etc.

Many companies are aware of ERP can help companies improve the level of accounting information. But in the actual operation, there will always be a number of issues. Some companies regard ERP system as a common software system, does not according to their own criteria to choose the right environment for the implementation of ERP systems, resulting in the ERP system put into operation, and failed to achieve its functions. Many companies had high expectations to ERP systems, ERP systems that rely on production and operation can solve all the problems, but eventually found that business problem is not resolved, so that the ERP system has no effect in the accounting information. Some companies put the ERP system as a sector of the system to use, that the ERP features just to stay in inventory, logistics, finance, accounting level, not extended to the full range of business to be implemented.

3 Implementation of Accounting Information Measures for SMEs

3.1 Accounting business process reengineering and optimization

The enterprises are in constant development, a major characteristic of small and medium enterprises is the growth rate that was significantly higher than large enterprises. Their market reach, customer characteristics, mode of operation and other aspects of change is much more frequently than large companies, the business processes of stability is much smaller. Therefore, small and medium business accounting process reengineering can not be a one-time success.

SMEs according to the competitive strategy, business processes and the use of the basic characteristics of the level of information technology, choose from different levels the implementation of different types of accounting business process reengineering. In today's information technology conditions, according to domestic and foreign successful experience of business process reengineering, business process reengineering of accounting principles to be followed is:

- (1) Setting process is based on business events rather than on the required accounting information, finance staff will provide more complete and more valuable information.
- (2) To simplify processes and associated work together as much as possible.
- (3) Integration of all data in a database, real-time access to information, real-time processing information, new real-time reporting of information flow.
- (4) Out a number of common uses, managers at all levels in real time, dynamic access to information needed to support decision-making.
- (5) Integration of three basic information processing activities (logging, maintenance, reporting) and can reduce the risk of business processes and information processing necessary for control.

3.2 Accounting network strategy

Industrial economy and the knowledge economy are developing together. Market has transformed from a seller to a buyer's market. Enterprises face complex, demanding requirements, competitive market environment, SMEs in traditional business management model and mode of operation has been difficult to adapt to the market and further socio-economic development needs. Changes in economic structure and market development of the situation require a new management revolution. Application of modern information technology and new management ideas and methods for fundamental reform of management, speed up business management information has become a trend. The accounting network is the basis and key of business management information.

SME sector is relatively simple, unlike large enterprises, as an urgent need to address issues such as consolidated financial statements, analysis of financial condition, etc. The ability to handle remote data and to analyze data storage capabilities of the accounting information system, make the SME accounting network relatively easy.

- (1) Accounting business process integration. The realization of the network accounting information system requires not one-sided network technology alone single department for a particular. The enterprise network solution was chosen in the financial system and other business management systems to achieve "seamless" in order to achieve corporate finance, business integration.
- (2) Open and resource-sharing system. Disclosure of accounting information in the content and distribution methods, the network can be domestic or foreign timely disclosure of accounting information on corporate, enterprise-related external (such as management, investors, creditors, etc.) information users, the network can effectively get their comprehensive care to reflect the accounting information to understand the details of business information on specific economic. Use the system to provide application details on the information obtained by further processing to generate their own comprehensive financial and accounting information required. Due to financial, personnel and other factors, SMEs, accounting information systems security capacity is relatively low; the system should ensure the safety of the premise of open systems and sharing of resources appropriately.
- (3) Data protection work. Information network of the key issues is how to ensure data security. Therefore, SMEs must be done to develop and improve the safety management system, standardize the accounting network work. SMEs are in the premise of saving money as much as possible, within the enterprise to develop series of strict safety management system. As soon as possible to improve the accounting personnel to operate, establish a sound internal control system to effectively reduce the risk of moral hazard due to internal staff, system resources, risk and harm caused by computer viruses. Establish a backup system of accounting information, accounting information important to the implementation of multi-level backup, the establishment of the right to limit

access to the network environment.

3.3 Accounting information system strategy

With the complexity of enterprise business processes, SMEs are no longer simply requires accounting and reporting software system output, it also requires software systems to provide business-related costs, earnings and performance and other support information, which led the financial software to MRP, ERP and other highly integrated software. Because the small and medium-sized enterprise fund is few, anti-risk ability is weak, need to ensure a certain amount of cash flow, in case of emergency, which needs to be streamlined inventory, accelerate inventory turnover, the use of ERP systems can effectively achieve this goal, the whole process of business accurate real-time control to greatly improve customer satisfaction, in order to win customers, more customer orders.

SMEs in the implementation of the ERP system should do the following:

(1) To obtain the support of business executives, senior managers must fully understand and recognize ERP, the enterprise implementation of ERP with clear objectives and proper understanding. To establish a professional team that is long-term stable, with rich theoretical knowledge and ability to develop ERP implementation to complete the ERP project implementation.

(2) Choose their own ERP software, a planned step to focus on implementation of the system.

As the ERP central thought is the conformity and the automation, SMEs can be achieved in the automation of manual management transfer under the premise of accounting information subsystem as a breakthrough, step by step integration of the various processes, business process integration and then extended to the entire supply chain, and finally the initial run in the ERP to make decisions on the basis of stability optimization.

(3) Good staff training. SMEs in the ERP implementation process, we need to do training, training objects, including business managers, the implementation of key technical personnel and end users, especially the training of accounting professionals. The accounting personnel must have the solid accounting profession knowledge and the accomplishment, to the related law stipulated that the principle must grasp comprehensively with accountant, adjusts its knowledge structure and ability structure promptly, strengthen financial analysis, management accounting, business management, computer, the communication coordinated, and the interpersonal relationship as well as solves aspect and so on.

4 Conclusion

Running faster and faster as the economy, market competition aggravating, SMEs themselves have become increasingly demand on the quality of accounting information, how to construct accounting information technology scientifically, rationally and efficiently, ensure the accounting information system security, real-time and efficient operation and be sustainable development at the same time, it is also the issues faced by SMEs.

Accounting information is the core of enterprise information, SME accounting information is a continuous process, the goal is the establishment of enterprise decision support system for decision-making real-time, accurate, complete production and transmission information, realizes the resources optimization disposition, the value flows reasonably, and helps the enterprise to make the correct decision-making rapidly, to survive in the severe environment of competition and grow strongly unceasingly.

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ACCOUNTING INFORMATION SYSTEMS An accounting information system (AIS) combines the study and practice of accounting with the design, implementation, and monitoring of an information system. Such a system involves applying modern information technology resources to traditional accounting controls and methods to provide users the financial information necessary to manage their organizations. This system is often a component of an entity's management information system. An accounting information system (AIS) combines the study and practice of accounting with the design, implementation, and monitoring of an information system. Such a system involves applying modern... Accounting and Reporting –elast in – first out– method professional accountancy organization public interest property, plant and equipment South African Institute of Chartered Accountants small and medium-sized enterprise Accounting and Financial Reporting Guidelines for Small and Medium-sized Enterprises SME Implementation Group Organisation pour l’Harmonisation en Afrique du Droit des Affaires Accounting System. To attract foreign investment, SME reporting also needs to meet international requirements and standards such as those set by the International Accounting Standards Board (IASB). However, in response to the rapid globalization of the world economy and increasing... The importance of accounting information system in any organisation, especially the small and medium scale enterprises cannot be over emphasised. The accounting information systems employed by SMEs are very crucial to their performances. Due to lack of accounting information, SMEs however, make wrong decisions. In light of this problem, this study sought to determine the effect of accounting system on the performances of SMEs in Nigeria. The population of this study consists of the Small and Medium scale Enterprises (SMEs) in Festac-Town, Lagos. Data were extracted from 154 questionnaires administered with 80% retrieval success. Accounting Information System is a combination of technology and accounting principles that helps in the collection of data, proper storage of data, processing of data and to create a readable output of the data which helps in the preparation of financial statements. The AIS is very crucial for an organization as it is being used by several stakeholders of the company in order to make an estimate of the company’s performance. Company ABC is a small business engaged in the manufacturing of textile. They are planning to opt for a cheap and effective Accounting Information System. The main criteria of an Accounting Information System are storage, which is costly. Study: Accounting guide for SMEs - SME Accounting in Europe: insights provided by a desk research and a survey (2015). Because of the importance of appropriate accounting information for owners and managers of small enterprises and their different stakeholders, a project to analyse the various accounting systems applied in Member States in the case of non-regulation at EU level was commissioned. The objective of the project was to come up with views on how to improve the accounting systems of small enterprises so that they can provide the owners, managers and other stakeholders with appropriate financial information. Report: Accounting for small enterprises – Recommendations and good practices. Contact for more information.