

Accounting in the New Age

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Abstract – Today, in a modern and civilized society we have an opportunity to live and work with technical and technological innovations, information and digital development that enable us to stand before very broad horizons of education in relation to the challenges of modern times. Accounting in itself, accounting information and accounting software are opening up and allowing you to have methods of operation which are of global character, and that represents a major step forward in the advancement, development and unification of the same.

New age requires new ways not only in the work but also in our thinking. Accountants more than 20 years ago did not face these needs and problems that arise daily in business trade associations, companies etc. Accounting information that was available before this period, today is insufficient in any respect when deciding and creating business policy, investing or borrowing funds and other needs.

With new developments, with the entry into the 21st century democratic societies opened up even more and market economy was confirmed in modern business, whereas accounting professional organizations did not remain indifferent in all this. They created a way that would enable to meet these new challenges. They created laws, directives, international accounting standards, international financial standards which enabled fast and efficient way of working for accountants worldwide.

Keywords: accounting and information system, digital development, managers, professional accountants, new age, accounting software.

I. MANAGERS AND CONTEMPORARY PROFESSIONAL ACCOUNTANTS - CREATORS OF DEVELOPMENT OF THE

MODERN ENTERPRISE

Business goals and activities of the enterprises, the importance of business transactions, the timing of cash inflows and outflows is particularly important in the management tactics applied by managers that manage individual departments in enterprises. Accounting and professional accounting managers - accountants have a huge role and importance in identifying the above mentioned. Using their compatibility, professionalism and influence they can create accounting information that will serve as an incentive for their fellow managers, so that they are able to make decisions in the true sense and the right direction that

will be the basis for further development of business enterprise.

Today, apart from the skill of professional accountants one can measure and determine the importance of certain information through modern accounting software that is designed to recognize and illustrate the data and information needed for those who need to make certain important decisions.

Modern accounting information system, not only in business entities from the western developed countries that have created open societies with democratic control over the operations much earlier, but also in our country in the late 20th century began with a tool to implement the international guidelines that have become national and modernized the accounting information system. With the establishment and development of international accounting organizations, associations and bodies, opportunities for unification and modern approach in performing the accounting function were created in most of the world. In this way, small underdeveloped economies have the opportunity to be part of the global accounting family with their involvement and use of the established international standards of auditing, finance and accounting. Here we come to the fact that modern managers must be in direct contact with professional accountants - managers who will be able to ease the way and understanding of financial statements and of the focus of financial indicators that present the overall operation of the company.

The question is: "What kind of accounting and financial knowledge managers need?"

Namely, they must have a complete knowledge of the core content in the financial statements in order to understand which is the contribution of the activities that have been or need to be done to increase the financial health (profits). Management must have good knowledge of accounting. The manager needs to know how to get or how to come to a useful accounting information. After all, he must know that accounting and financial information in itself is not perfect because it gives managers additional need for knowledge of the skills in the field of accounting. Therefore, they must be extremely careful in analyzing and interpreting the data.

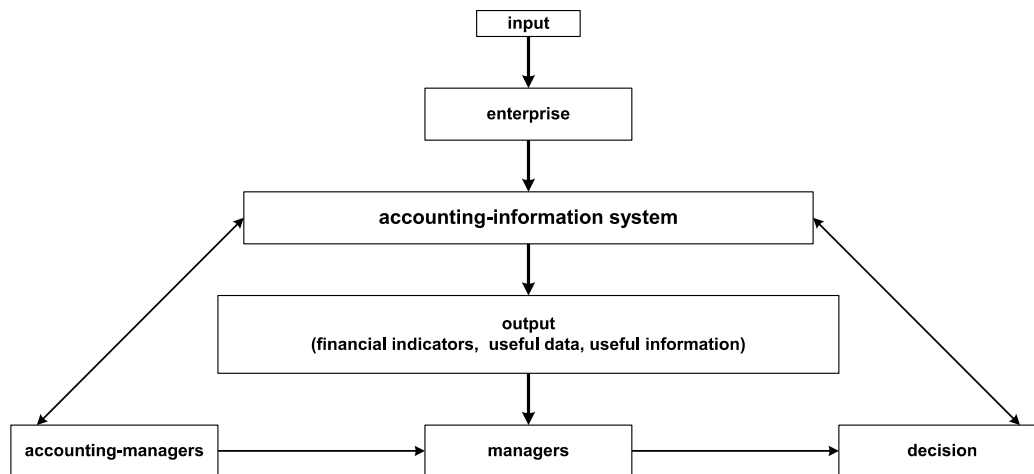


Figure 1. Schematic representation of the AISs and organizational linkage.

Also, I must mention the other users of financial statements that in some way have a stake in the company (owners, employees, investors, creditors, regulators, government and its agencies), which also have to know accounting as much as possible to be able to identify and assess themselves the financial success of the enterprise. The better the quality of the information, the better the decision made in the next period by managers, and also the individual decisions of the users of that information. Therefore, we say that quality and useful information is the information understandable for the users themselves.

Also, useful information is considered the information which is true, relevant and comparable. Information is true if users are exempt from making mistakes. That means tested information. The relevance of an information is if you can make a difference in the decision, that is, to be able to value the past and help to predict the future. And, the information is comparable if users can identify differences or similarities between enterprises. In this way, useful accounting information can facilitate making the right decisions in all types of organizations.

Thus, we say that the accounting information system, ie accounting, is a device which provides and transfers information to employees, the public and other users. Namely, the usefulness of the information obtained from accounting is the one thing that makes it a worthwhile profession - area - discipline.

In the 21st century, accounting and accounting profession is more and more expressed through electronic type of records of events with modern accounting software and ease of execution and calculating transactions in the company's operations.

II. ACCOUNTING – INFORMATION SYSTEM - A DEVELOPMENT CELL OF EACH ENTERPRISE

Accounting information system is one of the basic cells in companies that were developing on inherited systems. These systems today use software packages from various organizations and sellers. As one of the most famous are, of course: Microsoft, SAP, Oracle and others, that are designed and configured to suit the business processes in enterprises. In this way organizations are connected and managed in large centralized systems. With different programming solutions, applications and tools, the management of the enterprise performs the accounting function, while also monitoring and managing other functions.

Namely, the creation of these large systems gives less emphasis on just accounting.

In fact, these systems are converted into "Giants" who control and monitor the overall system operation and their control of activities in all areas of the organization of the enterprise. Overall AIS is supported by a centralized database that stores them.

These data for a business entity are business events and transactions that can be processed and used as information for making business decisions. The great advantage of these computerized accounting information systems is that the work is automated and method of alignment, calculation and reporting is much simpler.

Hence, accurate information are created that get to managers (to makers decisions) in time and timely financial reporting is done. In these accounting information systems other people (analysts and others) as well can easily use the database and browse data and information towards the needs of analysis and development of the enterprise activities.

Anyway, the overall benefit from the application of modern software accounting information systems is based on accurate, timely information that can be obtained at any moment, and not as in some previous period when major companies ie corporations, to get the needed financial

information were waiting for days, and even weeks. From here, we can assume that for the successful functioning of the established computerized accounting information systems, companies are required to have adequate staff i.e. to have certified accountants that have proven their knowledge of the work and functioning of the systems. Also, these professional accountants need to follow the processes that follow in the implementation of information technology.

In developed economies where there are precise rules of operation these people need to have, apart from a certificate for authorized public accountants, a certificate from the authorized information institutes that will certify the knowledge and ability of managers - accountants to manage the IT infrastructure.

Therefore, it should be confirmed that in the accounting information systems work specially trained accountants that with the highest level of accuracy will provide data that will be easily accessible for those who legally have access to them.

The accounting information systems work in conjunction with traditional accounting practices and modern information technology.

These electronic systems basically consist of:

1. People - system users (professionals: accountants, consultants, business analysts, managers, directors, auditors, etc.).
2. Procedures and instructions - methods for collecting, storing and processing data,
3. Data - information relevant to the organization's business practices,
4. Software - computer programs for storage, processing and analysis of financial data (before the emergence and creation of computers, accounting information system was manual (hand), paper-based system)
5. IT infrastructure - hardware system (just a fancy name for hardware that works in accounting information systems). IT infrastructure includes: personal computers, servers, printers, routers, data storage media, backup power supply and other. Optimization of the bookkeeping system depends on combination of software and hardware. In a modern accounting information system there should be a plan for maintenance, repair, replacement and upgrade of components of the hardware system, removing outdated and broken hardware components etc..
6. Internal Control - security measures contained in the accounting system to protect sensitive (secret) data. These measures can be in the form of passwords or biometric identification kit which does not allow unauthorized access. Preventing unauthorized access to files, protecting financial records, personal safety etc. Accounting information system contains confidential information for employees and

customers. There are various credit card numbers, numbers of social and health insurance, payroll information and more. Protection of the accounting information system, also needs to be fully conducted in regards to computer viruses, hackers and other threats to network security. Naturally, in addition to these protections they must be protected from natural disasters that can cause loss of data and documents.

III. PERFORMANCE OF ACCOUNTING-INFORMATION SYSTEM IN MODERN ENTERPRISES

As stated we need to verify that the accounting information systems are composed of six main components that need to have a great relationship among each other. Certain companies in specific conditions may have problems or may not be satisfied with the selected software. This means that they should engage external consultants or from the manufacturer of the software to request an assistance for better organization of the activities and, if necessary, incorporation and implementation of the ideal configuration.

Accounting approach is essentially to be carried out through certain steps that are necessary:

A. Detailed requirements and analysis:

This refers to interviewed individuals from the system, where the system is fully understood with his problems, complete documentation of system transactions, statements and questions that need to be answered.

AIS combine studies and accounting practices with a designed, implemented and monitoring information system.

B. System design (synthesis):

Such systems are constructed with control files, master records, processing capability based on testing. Also, the design contains system controls and providing the information needed for management and decision-making. It should be pointed out that this happens when we are dealing with information technology with the perfect infrastructure and selected software ready to respond to these demands of the enterprises.

C. Documentation:

System should include documentation on sales, procedures and instructions that will help users to deal with certain processes, specific for them.

D. Testing:

Here, the system is being tested which means that all processes starting from the entrance and through the exit by using this tool - documentation, are thoroughly checked and it is ensured that users can easily follow the procedures and methods of operation. Reports are reviewed and confirmed. Everything is done until the system has no actual data that will be included in the entity's operations.

E. Training:

Prior to starting, all users of the system should be trained with the procedures, while the trainer performs the procedure

to show them all how to conduct a procedure to the end. During the training procedures often need to be updated, which means users need to be familiar with this new modified procedure.

F. Data Conversion:

This tool was developed to convert data from one system to another (new) in order to analyze data better. This conversion should be thoroughly tested and validated prior to its final implementation.

G. Starting:

This is done after the above stated will be conducted and completed. The organization will be started when they themselves feel they should be. Often we have a parallel operation, to the confirmation that the new system is fully constructed.

H. Support:

Updating of systems is an ongoing, continuous process followed by the end users and managers. They have ongoing support and have all the time available. Some companies use co-project managers from out-sourcing information technology, a specialist who knows how to manage the implementation of software solutions and IT infrastructure.

Of course, they must not omit the opinion and engagement of a Certified Public Accountant to provide, substantiate and verify the system requirements. These professionals are fully committed to the computerized accounting systems, and they are best able to understand and provide solutions that will suit the needs of the business entity.

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