

Research on the Optimization of Accounting in Institutions of Higher Learning under the New Government Accounting System

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Abstract: The government accounting system in institutions of higher learning has been implemented smoothly since it came into effect on January 1, 2019. Nevertheless, the related practical work inevitably exposes some difficulties and defects, which has caused numerous inconveniences and troubles to the practical accounting-related work. Most of all, a host of inherent characteristics of institutions of higher learning, such as large scale, complex business, imperfect internal control construction, and limited information level, have brought great difficulties to the actual accounting-related work. In this regard, from the practical perspective of accounting in institutions of higher learning, the author, as a financial practitioner in a certain university, deeply analyzes the defects exposed in accounting under the background of the government accounting system, thereby proposing valuable insights and recommendations regarding the optimization of accounting in institutions of higher learning.

1. Introduction

In December 2014, the State Council of the People's Republic of China officially endorsed the *Reform Programme of the Accrual Governmental Comprehensive Financial Reporting System* compiled by the Ministry of Finance of China, which covers diversified contents related to the establishment of the accrual governmental comprehensive financial reporting system, encompassing its significance, guiding ideology, overall objective, basic principles, main tasks, specific contents, supporting measures, implementation steps, and organizational guarantee, marking the official inception of the reform of government accounting system. On the same note, the Ministry of Finance issued the *Notice on Printing and Distributing the Government Accounting System: Accounting Subjects and Statements of Administrative Institutions* (C.K. [2017] No.25) on October 24, 2017, which requires the formal implementation of the government accounting system from January 1, 2019. During the past two years since the implementation of the government accounting system, not only have the difficulty and workload of accounting increased greatly but also the factors that affect accounting become increasingly diverse, ultimately affecting the quality of accounting information. Notably, the implementation of the government accounting system puts forward stricter requirements for budget management, business management, and information

construction. Without a series of support like budget management, business management, and information construction, the efficiency of accounting in the context of the government accounting system will be increasingly low. Accordingly, the quality of accounting information is difficult to guarantee, failing to accurately reflect the whole process of economic and business activities. Hence, to promote the effective integration of business and finance as well as ensure the efficient operation of accounting and the quality of accounting information, it is imperative to comprehensively build channels that facilitate the exchange and support between business and finance from numerous aspects such as budget management, business management, and information construction, thereby fostering strong financial support for the career development of the unit.

2. Defects Exposed by Accounting in Institutions of Higher Learning

2.1. Disconnection Between Accounting and Budget Management

Typically, the government accounting system requires the accounting of relevant units to undertake the dual functions of financial accounting and budget accounting, and the appropriate separation and connection between financial accounting and budget accounting, thereby comprehensively and clearly reflecting the financial information and budget execution information of the unit. In other words, this essentially requires the appropriate separation, mutual connection, and effective integration of budget management and accounting. In practice, however, budget management and accounting are largely in a state of disconnection. Especially, the functions of budget management and accounting in institutions of higher learning are undertaken by two different departments, which basically do their things and lack adequate communication. Also, this phenomenon is manifested in the unfamiliarity of the professionals in charge of budget management with accounting as well as the unfamiliarity of the professionals in charge of accounting with budget management^[5]. Given that budget management plays a key role in accounting, the absence of high-quality budget management is bound to make it difficult for accounting to realize the dual functions of financial accounting and budget accounting.

2.2. Insufficient Integration Between Business Management and Accounting

With reflection and control as the most basic functions, accounting acts as the truest and most comprehensive reflection of economic activities. In addition, the quality of business activity management can not only be reflected in accounting but also determine whether accounting is smooth. This implies that business and finance are mutually supporting and confirming. Moreover, business management departments rarely take the practical demands and operability of financial reimbursement into account when formulating relevant systems and processes. Taking the management service concerning the official reception fee as an example, the business management department stipulates that the official reception meal fee should be included in the scope of official reception fee management, whereas the accommodation and transportation expenses incurred due to official reception are not. However, accounting stipulates that all expenses related to official reception activities should be included in the scope of official reception fee management. Briefly, the foregoing examples obviously reflect the insufficient integration between business management regulations and accounting systems, which ultimately affects the quality of accounting information.

2.3. Undesirable Sharing of Business Data

In this connection, the *Opinions of the Central Committee of the Communist Party of China and the State Council on Building a More Sound Configuration System and Mechanism of Factor*

Liberalization, published in April 2020, initially brought data into the scope of production factors, aiming at giving full play to the multiplier effect of data, a new type of factor, on the efficiency of other factors. In the contemporary context of big data and artificial intelligence, data sharing has played an increasingly critical role, with data evolving into a vital resource. Moreover, the key point of business and financial integration can be attributed to the sharing and application of data. Against this background, through the establishment of the Big Data Administration and a plurality of big data constructions, local governments have not only achieved remarkable results and greatly facilitated the actual needs of the masses, but also improved the quality and efficiency of government services, thus saving labor costs and resources to a great extent. Despite this, as a public institution, institutions of higher learning inevitably expose a large degree of defects in terms of data sharing. In particular, data sharing in institutions of higher learning, such as personnel information management, student status information management, contract management, bidding, infrastructure, asset management and so on, still lags far behind that in enterprises. In the long run, institutions of higher learning still need to implement a variety of meticulous and effective work to realize the flow, application, and full sharing of data, thus effectively exerting the multiplier effect of data.

2.4. Weak Information Construction

Currently, institutions of higher learning have basically set up information centers or network centers. Due to the lack of unified planning, organization, and coordination, however, business departments generally focus on building their own business systems in a fragmented way, which leads to the absence of unified application platforms and data centers^[2]. As a result, institutions of higher learning are faced with the increasingly severe phenomenon of information islands, exposing some related defects such as the emphasis on planning, limited implementation, and weak construction regarding their information construction. For institutions of higher learning with large scale, abundant personnel, and complex business, the lack of information support will make their daily work difficult to implement effectively. Hence, the level of informatization essentially determines the efficiency and quality of daily work in institutions of higher learning, thereby directly affecting the quality of accounting. In comparison with enterprises characterized by networking and electronicization of financial reimbursement as well as digitalization of business process management, some institutions of higher learning still stick to the traditional paper-based method during their daily work, which is ill-adapted to the macroscopic environment featuring the big data and artificial intelligence.

3. Recommendation for Optimizing Accounting in Institutions of Higher Learning

3.1. Strengthening the Coordination Between Budget Management and Accounting to Promote their Integration

Budget management's development towards integrating budget and accounting aims to solve the issues related to the disconnection between budget management and accounting. For this reason, it is imperative to strengthen budget management to realize the integration of budget management and accounting, thus reducing the differences between budget management and accounting and eliminating the adverse effects of budget management on accounting. In the context of the government accounting system, budget management acts as a prerequisite for accounting. In other terms, accounting relies heavily on all kinds of information set by budget management. In the absence of information and data generated by budget management, accounting is difficult to be effectively implemented. Moreover, the budget management and accounting departments should

strengthen mutual exchanges and communication regarding their work, intending to veritably realize the integration of budget management and accounting through moderate engagement in each other's work.

3.2. Enhancing the Integration of Business Management and Accounting to Eliminate the Differences between Them

With the sustained development of the economy, accounting plays an increasingly vital role, and so does the integration of business management and accounting. Admittedly, only the effective integration of business management activities and accounting work can eliminate the differences between business management and accounting, and ensure that accounting truly and comprehensively reflects the whole process of economic business activities^[4]. To this end, the business management department should fully take into account the simplicity and operability of accounting when formulating the system, process, and operation details of business management activities. Concurrently, the accounting should promptly feed back the disputes related to the problems exposed in business management links, so that the business management department can adjust the system, process, and operation details involved in business management activities in time, thereby providing valuable financial insights and enlightenment for business management activities.

3.3. Building a Perfect Business Data-sharing Solution to Improve the Efficiency of Data Application

Along with the advent of the era of big data, data has evolved into an extremely important resource. Nevertheless, data can solely play its full role in the case where it is effectively shared and applied. During the process of modern accounting, data sharing has played an increasingly significant role. Daily personnel funds, for example, require the support of personnel information data provided by the personnel department. Likewise, the distribution of funds such as student grants entails the help of student information data provided by the student management department. For one thing, accounting needs the support of an increasing amount of external data. For another, the results generated by accounting correspondingly aggregate and reflect numerous other business data. It is obvious that accounting is no longer and cannot be an information island. In this regard, providing an effective business data-sharing solution is of paramount significance to improve the utilization efficiency of business data as well as the efficiency of accounting. On March 23, 2020, the *Notice on Standardizing the Reimbursement, Entry, and Filing of Electronic Accounting Vouchers* (C.K. [2020] No.6) jointly issued by the Ministry of Finance and the National Archives Administration of China clarified a distinct direction for the construction of accounting electronic files and an electronization trend of financial reimbursement. Under this impetus, institutions of higher learning must solve the problems related to business data sharing in order to realize the effective flow of business data and give full play to its leading role, thus improving the efficiency of accounting and saving its cost.

3.4. Increasing Investment in Informatization Construction to Improve Informatization Level

It is worthy of recognition that the informatization construction of institutions of higher learning still needs to be strengthened compared with relevant departments such as enterprises and administrative organizations. For example, partial institutions of higher learning still utilize traditional methods to implement a series of tasks such as daily financial reimbursement, personnel information management, and contract management. In contrast, enterprises, banks, and government departments have realized electronic management of business data and electronic

business handling to a broader extent. As the case stands, this indicates the insufficient investment in information construction by some institutions of higher learning. In the context of big data and intelligence, the informationization of a certain unit largely determines the overall work efficiency of the unit. Also, the level of informatization significantly affects the realization of budget management, business management, and data sharing, thereby affecting the quality and efficiency of accounting-related work^[3].

Against the background of government accounting systems, big data, and artificial intelligence, given the inherent particularity of institutions of higher learning, accounting work can no longer exist independently of business activities^[1]. Currently, accounting is facing increasingly high requirements in terms of its connection, matching, and integration with budget management and business activity management. Also, it is increasingly dependent on informationization. Consequently, from a four-in-one perspective involving "budget management, business activity management, information construction, and accounting", it is imperative for institutions of higher learning to create an excellent situation in which business work and accounting work are truly coordinated, promoted, and integrated by comprehensively strengthening budget management, business activity management, information construction, and accounting. Simultaneously, the integration of business management and accounting with big data and artificial intelligence is also beneficial to improve the efficiency of business management and the quality of accounting, thus effectively ensuring the quality of accounting information.

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