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A Study on Fixed Asset Management of Utilities under the New Governmental Accounting System

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Abstract: This paper discusses the importance of fixed asset management of A utility under the new government accounting system, the requirements of the new government accounting system for its management and the current problems faced. In order to solve these problems, this paper puts forward a series of optimization strategies, including improving the fixed asset management system, strengthening the level of information records, raising the degree of management attention, cultivating fixed asset managers in an all-round way, standardizing fixed asset accounting and building a suitable asset management information system. These measures will help to ensure that Utility A can conduct fixed asset management more robustly and transparently under the new system environment and lay a solid foundation for its sustainable development.

1. Introduction

With social development and economic change, the implementation of government accounting system has become an inevitable trend. In promoting the reform of the accounting system, the government is often driven by a variety of policy motives, including improving fiscal transparency, strengthening budget management, and optimizing resource allocation [1]. These motives constitute the fundamental background for the implementation of the new government accounting system and provide a clear direction for its formulation. A the fixed assets of an institution play a crucial role [2-3]. Not only are they a major component of the balance sheet, but they are also directly related to the normal operation and project implementation of Utility A [4]. Therefore, the scientific management of fixed assets is not only related to the financial situation, but also involves the stability and sustainability of the overall operation of the utility A. The sustainable development of the utility A needs to be built on the basis of effective asset management. Through rational planning, monitoring and maintenance of fixed assets, Utility A can better cope with the changes in the external environment, improve the efficiency of resource utilization, and thus promote its sustainable development.

2. Requirements for fixed asset management of a utility under the new government accounting system

2.1 Improve financial transparency

The first condition for fixed assets management of A utility under the new government accounting system is to improve financial transparency. The new government accounting system requires that A institution disclose information about fixed assets in a more standardized and detailed manner, including the measurement method, evaluation basis, depreciation policy, etc. [5-6]. Such normative requirements make the financial reports of the institution clearer and more comprehensive, providing more reliable information for internal and external stakeholders. High-quality disclosure of fixed assets makes the management of the institution more able to recognize the institution's asset position in a comprehensive manner [7]. This is critical for decision makers to make informed decisions in strategic planning, project investment and resource allocation, and helps to improve the overall quality of decision making. External investors often need to rely on financial information provided by institutions to make investment decisions [8]. Increased financial transparency helps build investor trust in Utility A and provides a more favorable environment for the institution to attract external financing and cooperation [9].

2.2 Rational allocation of resources and cost control

Fixed asset management can ensure that the organization's investment in all assets can be maximized through rational allocation of resources. This optimal utilization of resources helps to improve productivity and efficiency, thus making Utility A more competitive. The new governmental accounting system imposes stricter cost control requirements on Utility A's programs and services. By standardizing the cost accounting and depreciation policy of fixed assets, Utility A can better grasp the actual costs of projects and services, and thus carry out cost control more effectively. Fixed asset management is not only about cost control, but also about risk management [10]. The new government accounting system may require Utility A to consider the maintenance and renewal of assets more comprehensively in order to reduce the risks due to factors such as asset aging and wear and tear, and to ensure the sound operation of the organization. By standardizing the process of acquiring and renewing fixed assets, the new government accounting system helps to prevent unnecessary expenditures [11-12].

2.3 Increase compliance and legal responsibility

The new government accounting system usually emphasizes the regulatory compliance of A utility in fixed asset management. The compliance requirements involve regulations on asset measurement, depreciation policy, asset valuation, etc.[13] The purpose is to ensure that Utility A meets the relevant regulatory requirements in the process of asset management. To ensure compliance, Utility A needs to strengthen its internal control mechanisms to monitor and manage the fixed asset management process, which includes the establishment of a compliance review process, regular internal audits, enhanced internal communication, and other measures. The new government accounting system clearly stipulates the legal responsibilities for fixed asset management. If Utility A fails to comply with the relevant regulations, it will face legal liability.

2.4 Ensure sustainable development

Sustainable development is not only related to the long-term development of A utility, but also

involves social responsibility [14]. The new government accounting system regulates the assessment and management of fixed assets to ensure the long-term effective use of resources. Through scientific and reasonable asset assessment and standardized depreciation policy, Utility A can better extend the service life of fixed assets, reduce the waste of resources, and help realize sustainable development.

3. Problems in Fixed Asset Management of Utility A under the New Government Accounting System

3.1 Incomplete fixed assets management system

The construction of fixed asset management system is aimed at ensuring that A utility can effectively carry out the detailed records, secondary utilization of fixed assets and accurate representation of the book value of fixed assets and other aspects of the work. However, in the process of building the fixed asset management system of A utility, it is often limited to the existence of some objective factors, which makes the formulated management system may only stay on the surface, and it is difficult to produce effective constraints and guidance on the management of fixed assets. Due to the absence or lack of clarity of the system, some of the A utilities even have the problem of imperfect fixed asset management system, which leads to poor management processes and unclear responsibilities. This situation affects the scientific management and monitoring of fixed assets, making it difficult to realize the goals in such aspects as detailed records and secondary utilization of fixed assets.

3.2 Incomplete recording of fixed assets information

A financial management personnel in the management of institutions often face the problem of information "fault". This situation is mainly due to the huge amount of fixed asset information, financial personnel need to deal with a large amount of data information in the process of registration and recording, which will inevitably occur in the case of duplicate registration, omission or error registration [15]. In addition, high-intensity data processing work will also lead to financial personnel mental consumption. With the passage of time, the mental state of financial personnel gradually consumed, data and information processing work is more likely to be carried out in the middle and late "fault" problem. In addition, many A institutions in the fixed asset information records are not comprehensive, including acquisition, maintenance, depreciation and other information records are not timely or inaccurate. This leads to an inaccurate understanding of the condition of assets, which in turn affects the effective utilization of fixed assets.

3.3 Fixed Asset Management Receives Little Attention

First of all, Utility A faces the problem of lack of professional fixed asset management personnel. Since fixed asset management requires certain professional knowledge and skills, some A utilities may not have enough human resources to ensure efficient management. Secondly, some A utilities may lack a sound fixed asset management system. This includes deficiencies in fixed assets inventory, registration, assessment, maintenance, etc., which leads to a poor management process of assets and is prone to omissions and confusion.

3.4 Low professional level of fixed asset managers

Fixed asset managers in Utility A may lack the necessary professional knowledge and skills,

which includes insufficient understanding of asset assessment, inventory, registration and other aspects. Lack of professional background can lead to insufficient understanding of the fundamentals and practical operations of asset management. Due to budgetary constraints or organizational mismanagement, Utility A may fail to provide adequate training opportunities for fixed asset managers. The lack of systematic training may prevent them from keeping up with industry developments and best practices, affecting the standard of fixed asset management. In some A utilities, the professionalism of fixed asset management may not be fully recognized, and managers may not have a strong enough awareness of the professional requirements of this work, leading them to perform perfunctory or neglectful work.

3.5 Asset accounting is not standardized

The basis of asset accounting is the accurate registration of all assets, including the date of acquisition, value, depreciation and other information [16]. However, some A utilities may have inaccurate, missing or lagging registrations, resulting in untrue and incomplete asset information. The depreciation calculation of assets is directly related to the accurate reflection of net asset value. If the depreciation calculation method is inappropriate and the parameters are set incorrectly, it may lead to errors in the calculation of the net asset value, which in turn affects the authenticity of the organization's financial position. Regular asset inventories are a key component in ensuring the accuracy of asset accounting.

4. Optimization Strategies of Fixed Asset Management of A Institution under the New Government Accounting System

4.1 Improve fixed asset management system

In daily use, if fixed assets are damaged or lost by human beings and other problems occur, the relevant user needs to be responsible for compensation or repair. The fixed asset management department should properly deal with the situation of natural wear and tear. Users are not allowed to dispose of fixed assets privately, nor can they handle assets with no use value without authorization. Even fixed asset managers must execute the disposal of assets in accordance with the relevant systems and standards set by the unit. To ensure adaptation to changes in regulations and policies, it is recommended that a fixed asset management system in line with the new government accounting system be established and improved. This system should specify in detail the matters of acquisition, use, maintenance and scrapping, focusing on compliance and transparency, so as to ensure the legality and standardization of fixed asset management.

4.2 Strengthen the level of fixed asset management information records

In order to improve the effectiveness of fixed asset management, it is necessary to strengthen the level of fixed asset management information records to ensure detailed records and accurate management of fixed assets. First of all, it is recommended that Utility A strengthen the recording requirements for fixed assets in its management system. Establish clear regulations, including the recording of detailed information on every fixed asset transaction, use, maintenance and retirement. Such exhaustive records should include basic information about the asset, date of acquisition, value, depreciation, etc., to ensure that managers have a comprehensive understanding of the condition of each asset. In addition, it is recommended that a specific time period be set in the workflow to require managers to complete the recording of fixed asset information. Such provisions will ensure the timeliness and continuity of the information recording work and prevent information omissions

and inaccuracies caused by delays.

4.3 Raise the importance of fixed asset management

The competent leadership should clarify the importance of fixed asset management at the organizational level and incorporate it into the overall strategic planning. Leadership's attention and concern will send a clear signal to the whole organization, making fixed asset management a part of the organization's development strategy. Fixed asset management is not only an important means of protecting Utility A's costs, but also a way to improve operational efficiency. Within the organization, fixed asset management is not only related to the staff of the finance department, but is also inextricably linked to all functional and operational departments. Attaching importance to fixed asset management is not only a management responsibility, but also the obligation of each staff member. Through the joint efforts of all the staff, A business unit can protect and manage its fixed assets more effectively, ensure that these assets can be fully utilized, and improve the overall economic efficiency and organizational efficiency. In their daily work, every staff member should always pay attention to the use of fixed assets to avoid unnecessary wear and tear, in order to jointly contribute to the sustainable development of the A utility.

4.4 All-round training for fixed asset managers

First of all, fixed asset managers should receive comprehensive professional knowledge training, including the fixed asset management system, financial accounting fundamentals, asset valuation methods, regulations and legal provisions. The training content should be updated according to the new government accounting system and other related policies to ensure that the managers have the latest understanding of regulations and management requirements. Considering that modern fixed asset management has become increasingly dependent on information technology, training should focus on the use of modern information systems. Managers should be proficient in fixed asset management software and understand the basic principles of database management and data analysis in order to improve efficiency and data accuracy.

4.5 Standardize fixed asset accounting

Standardizing fixed asset accounting is an important step to ensure the accuracy and transparency of financial management of A utility. In fixed asset accounting, compliance and transparency are emphasized to ensure that the accounting process complies with relevant regulations and policies. A transparent accounting process helps to improve the credibility of the financial statements and enhances the trust of internal and external stakeholders in the financial management of Utility A. An internal audit and self-inspection mechanism is established to regularly review the accounting work for fixed assets and correct any problems in a timely manner. This helps guarantee the timeliness and accuracy of the accounting work.

4.6 Build a suitable asset management information system

Before building an asset management information system, first conduct a comprehensive demand analysis to understand the specific needs of fixed asset management of A business unit. According to the scale and needs of the A utility, choose the appropriate technology platform. It involves the selection of hardware equipment, database system, application software and so on. After the system is built, a regular maintenance and update mechanism needs to be established. Repair the vulnerabilities in the system in time and update the system version to adapt to the

development of business and technological updates. At the same time, a regular data backup mechanism is established to ensure rapid recovery in the event of system failure or data loss. (Figure 1)

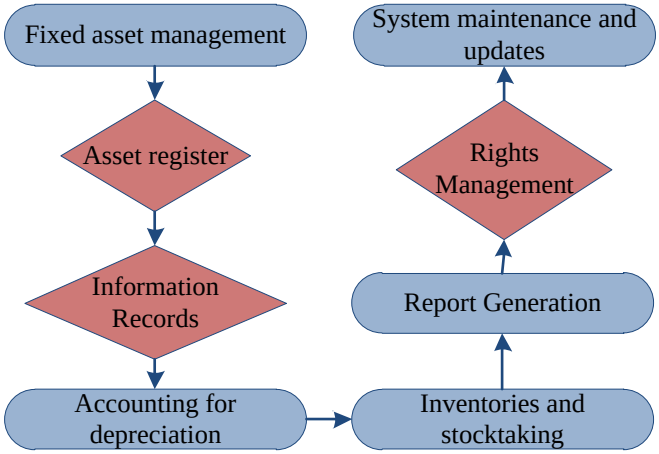

Figure 1: Asset Management Information System

5. Conclusion

Under the new government accounting system, there are currently problems such as imperfect fixed asset management system, incomplete information records, insufficient management attention, low professional level of managers and irregular asset accounting. This paper proposes a series of optimization strategies. First, improve the fixed asset management system to ensure that it meets the requirements of the new government accounting system, emphasizing compliance and transparency. Second, strengthen the level of information recording, requiring all managers to record every fixed asset transaction information according to the regulations in order to improve management effectiveness. The degree of emphasis on fixed asset management should be clarified at the organizational level and become part of the overall strategic planning, so that fixed assets can be maintained through the guidance of the leadership and the efforts of all staff. Comprehensively train fixed asset management personnel, including specialized knowledge training, teamwork and practical operation, in order to enhance their comprehensive quality. Standardize fixed asset accounting, establish clear accounting standards and audit mechanisms, and emphasize compliance and transparency. Finally, build an appropriate asset management information system to improve management efficiency and guarantee data accuracy through advanced technology.

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