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MANAGERIAL ASPECTS OF THE ACCOUNTING POLICY OF THE ENTERPRISE

The problems that arise in the process of economic globalization make it necessary to create a qualitatively new management system and an adequate accounting system at the enterprises of various forms of ownership. Practice confirms that the existing system of accounting is not able to satisfy completely the information needs of its owners and meet the requirements of investors, creditors, managers and other users because of its limited nature. Currently, reorientation of the accounting system to the needs of the enterprise management system becomes extremely urgent.

Accounting policy is an internal regulatory document which is intended to become the basis for the reporting formation that is particularly important for the enterprise management needs. A well-defined accounting policy significantly influences the efficiency of enterprise management, therefore, in each enterprise, taking into account the specifics of its activities, such an accounting option should be chosen that can provide the most complete implementation of management functions.

Theoretical, organizational and methodological aspects of formation of the accounting policy of the enterprises are considered in the scientific works of such well-known scientists as R. Alborov, A. Banayev, P. Bezrukih, F. Butinets, T. Voitenko, S. Golova, Z. Gutsayluk, N. Goncharova, P. Zhitnyi, A. KashaeV, V. Kulik, S. Levitskaya, N. Malyuga, B. Nidles, M. Pushkar, V. Sopko, M. Shchirba and others. Today, scientific discussions continue on the feasibility of

approving a single accounting policy and drawing up unified reporting for the needs of enterprise management. The opinions of scientists on this issue are sometimes completely opposite from total denial to recognition of the need to approve a single accounting policy. On the basis of the analysis of the regulatory framework, as well as the data, widely presented in the scientific works of famous Ukrainian and foreign authors, it can be mentioned that the accounting policy of the enterprise has a significant impact on management decisions and requires ongoing research.

Today, a formal approach to formation of the accounting policy of the enterprise is increasingly observed. Therefore, the study of accounting policy issues determines the relevance of the main topic of this scientific research.

It should be noted that in the economic literature there are generally several types of accounting policies: the policies for financial accounting purposes, the policies for taxation purposes and the policies for management accounting purposes [1, p. 49; 2, p. 24].

According to S.O. Levitskaya, “business entities operate today with the following types of accounting alternatives: analytical, synthetic, operational, statistical, accounting data, tax, primary, time-table, dynamic, actuarial, social, creative and strategic ones” [3, p. 218].

We believe that since accounting is an information base for various types of accounting records and reports, the accounting policy should not only be unified for the enterprise’s accounting process, but also take into account the requirements of various users of accounting information. Obviously, an accounting policy contributes to the strengthening of accounting and analytical functions in the management of the enterprise and allows to react quickly to changes occurring in the process of the enterprise functioning.

During this study it was revealed that Ukrainian scientists

offer their own definition of the accounting policy of the enterprise. However, taking into account the results of our analysis of various scientific publications concerning this subject, and our practical experience in this sphere, we believe that the notion of the enterprise's accounting policy is currently being narrowly restricted. Moreover, it is aimed primarily at defining the principles, rules and procedures for financial accounting.

V.A. Kulik defines the accounting policy of the enterprise as “a system of methods of accounting and financial reporting that is used by the enterprise for information support of economic decision-making and presupposes the most reliable reflection of the facts of the enterprise economic activity” [4, p. 54].

Butinets F.F. notes that the accounting policy of an enterprise is “not just an aggregate of accounting methods selected in accordance with the conditions of enterprise's management system functioning, but also a choice of accounting methods that allow using different options for reflecting the facts of economic life in accounting, depending on the goals set” [5, p. 10].

We wholeheartedly support the scientific position of M.S. Pushkar and M.T. Shirba, who argue that the accounting policy is a management mechanism for accounting, which is carried out on the basis of the selection and development by the enterprise of certain methods (options), rules and procedures for the organization and methodology of accounting, compilation and reporting based on generally accepted principles and specific activities of the enterprise for obtaining full, objective, reliable and unbiased information with the purpose of making reasonable management decisions by interested persons [6, p. 132].

T.V. Voitenko defines the accounting policy as a certain methodology of accounting, which was chosen by the

enterprise in accordance with established norms and features, and is aimed at achieving its goals and objectives, and is also used to ensure the reliability of financial reporting and a quality management system [7, p. 15].

In the course of this study, we consider it expedient to consider various approaches to defining the essence of the notion “accounting policy of the enterprise” in national and international legal acts of different countries of the world

International Accounting Standard 8 “Accounting Policies, Changes in Accounting, Estimates and Errors” points out that accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing financial statements [8].

Methodical Recommendations of the Applying of the Accounting Policy of the Enterprise [9] provide that “the accounting policy is an integral part of the organization of accounting in the enterprise”.

The Law of the Republic of Armenia “On Accounting” provides the following definition of this concept. Accounting policy is a system for collection, registration and consolidation of monetary information on stock and flow of assets, ownership capital and liabilities of an organization carried out by means of a comprehensive and on-going documentary accounting of all business operations [10].

According to the Law of the Republic of Moldova “About Financial Accounting”, accounting policies can be described as a set of the fundamental principles, quality characteristics, rules, methods and methods approved by the subject’s management for financial accounting and creation of financial statements [11].

The Law of the Republic of Belarus “On Accounting and Reporting” states that accounting policy is “a set of organizing and conducting the accounting adopted by the enterprise” [12].

The Law of the Republic of Kazakhstan “About Financial Accounting and the Financial Reporting” [13] defines the accounting policy as the “specific principles, bases, regulations, rules and practices, accepted for application by individual entrepreneur or organization for maintenance of accounting and preparation of financial reporting in accordance with requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, international or national standards, international standards for small and medium business and model chart of accounts of accounting, based on their needs and features of activity”.

In accordance with the Law of Ukraine “On Accounting and Financial Reporting in Ukraine”, the accounting policy is a set of principles, methods and procedures used by the enterprise for accounting, preparation and presentation of financial statements [14].

In our opinion, the definition of accounting policy in national and international standards limits the functions of the accounting policy of the enterprise in the process of preparation and presentation of financial statements and does not affect the significance in solving specific managerial tasks.

Therefore, based on the study findings, we can argue that the accounting policy (internal document or a set of tools and methods of accounting and financial reporting, or a set of interrelated standards of the current legislation) serves as the basis for the organization of accounting in the enterprise and is considered to be the initial link in the process of creating information for management needs.

Today the formation of accounting policy at Ukrainian enterprises has a number of problems that arise already at the very beginning of work on the formation of accounting policy, namely, when determining the priority areas for creation an accounting system at the enterprise.

Thus, there is a significant dependence of management

decisions on the quality of accounting information. The formation of an accounting policy for the needs of enterprise management is the interrelation of specific principles, rules and methods, used by the enterprise for the preparation and presentation of financial statements that significantly affect the evaluation and decision-making processes by interested users. Therefore, the main objective in the process of the development and implementation of the enterprise's accounting policy should be the formation of the complete, reliable and unbiased information for management needs.

Consequently, the main problems of formation of the accounting policy of an enterprise for its management system requirements are the following ones:

- ignoring changes in regulatory documentation and the absence of proper display of them in the Accounting Policy Statement;

- formality in drafting the Regulations on Accounting Policy, and the unreasonableness of the elements of this policy and duplication of certain clauses of normative documents;

- the lack of structuring of the Regulation on accounting policy, incomplete coverage of the issues of accounting for individual objects;

- the accounting policy is not developed by types of accounting at the enterprise;

- lack of development of the accounting policy for the formation of internal management reporting.

The accounting policy for the purposes of management accounting should include: a cost accounting option; a cost accounting system; a method of cost accounting and costing of products; an order of formation and list of prices; a list of cost centers and responsibility centers; a list of cost objects, calculation objects and calculation units; a list and composition of the articles of calculation of the production cost of products; a list and composition of variables and permanent general

production costs; a basis for distribution of general production costs; a variant of the consolidated accounting of production costs; evaluation of finished products; an estimation of balances of work in process; an income accounting method; a working plan of accounting calculation of costs, revenues and financial results; a list of plans and budgets; the registers of management accounting; and, finally, the structure and the forms of internal reporting, the frequency of their completion and submission by responsible persons.

The practical application of the above-mentioned objects and the accounting policy elements in the system of management accounting will allow implementing a reasonable assessment of the activities of the responsibility centers and their contribution to the overall performance of the enterprise.

Thus, we can conclude that the problems and proposals discussed above should be taken into account when developing specific measures aimed at optimizing the accounting policies of various enterprises, and eliminating these problems in the formation of accounting policies at the enterprises will contribute to the validity of accounting records in order to make rational management decisions by end users of the financial statements produced by the enterprises.

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