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## FUNCTIONAL STRUCTURE OF ENTREPRENEURIAL ACCOUNTING INFORMATION SYSTEMS

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**ABSTRACT:** The necessity for modern information systems management occurs at the end of 20th century. Management was faced with a need to conduct business on the local, but also on a global level and the importance of adequate information at the right time became unquestionable.

Even though they can bring many benefits, investments in operating systems are always a challenge for management teams since they have to have economic justification. Although the investment costs can be relatively accurately determined, benefits that they produce are more difficult to measure and they require a comprehensive understanding of all aspects of business to which the systems are related.

The importance of accounting, as a part of information systems, is reflected in the collection, processing, "production" and timely distribution of information to the management. Accounting Information System (AIS) belongs to the organizational system. AIS is a system that integrates and connects the natural and technical elements with the human potential into actionable and meaningful units. Given that the accounting records data valuably, it can be said that it connects all the business information subsystems, which contributes to the creation of a unified information system of the company.

**KEYWORDS:** accounting, information systems, enterprise

### ❖ INTRODUCTION

Information has always been an important element of human activity. Throughout the history information was collected, analyzed and distributed differently and it guided all human activities. Globalization processes have changed the traditional concept of operations and led to the need for information management as an integral part of the company's assets.

With application of information and communication technologies, world has become a global village, distribution channels have changed, companies increasingly compete on a global or macro-regional, rather than local level, there is a more and more virtual companies and a global delivery systems.

Accounting is an information subsystem of a comprehensive information system of enterprise. Its role is a comprehensive, systematic and thorough presentation of data and information on the basis of documents of all elements of the business subsystems and enterprise business system as a whole. The result of each information system is information previously unknown. Information sets resulting from the accounting information system are contained in accounting reports, calculations, estimations and analysis presented to management. With development of information technology in the seventies and eighties, accounting is more and more defined as part of an information system. [1] One of the most widely acceptable definition of accounting as a system is: "Accounting is an information system. Accounting information system is a subsystem of management information systems." [2]

This definition is further developed into: "Accounting is an information system that measures business events, processes the information into reports and communicates using information from the carriers making the business entity." [3]

### ❖ INFORMATION SYSTEM OF THE COMPANY

Business enterprise is unthinkable without the existence of information systems regardless of whether it is a complex information systems based on a high technology or in terms of simpler systems

in which data collection and processing and distribution of information is done manually. Information system in the enterprise can be divided into:

- Control or management information systems (MIS), and
- Accounting Information System (AIS). [4]

The difference between MIS and AIS is in the fact that MIS keeps track of both financial and non-financial transactions, while in AIS it is not the case. Accounting information system deals with purely financial transactions that are at the same time interesting for Management Information System. One can therefore conclude that the management information system expands the concept of accounting information systems that has the intended to meet the information needs of management.

Financial transactions are a reflection of real business trends. They are closely associated with non-financial transactions, and often of interest to both information systems. Picture no. 1st shows the connection between management and accounting information systems. [5]

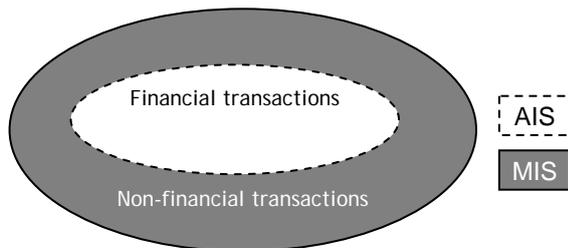


Figure 1. Management and accounting information system

Table 1. Examples of application management information system [6]

Function	Examples of application of MIS
Production	Production planning, management system, system for task planning
Finance	Portfolio management system, budgeting systems
Marketing	Market analysis, new product development, product analysis
Distribution	Organization and stock planning, delivery planning, vehicle loading, allocation models
Personnel	HR Resources - professional skills development - rewarding systems

Accounting information system must produce information for the needs of many users, in particular: the state and state agencies, lenders, suppliers, unions, management, supervisory board, shareholders and others. Since the company requires filing of annual and sometimes semi-annual or quarterly financial statements, concepts of accounting information system are subject to proper and professional standards (national or international financial reporting standards). MIS provides a range of information necessary for decision making that go beyond the work of the accounting information system, and include values that are the subject of his treatment.

❖ CHARACTERISTICS OF ACCOUNTING INFORMATION SYSTEMS

The main function of accounting information system is the production of information based on data that are the result of financial transactions. Financial transactions are presented in relevant documents that can occur in a variety of media (paper or electronic record). Subject to processing in accounting information system can be information derived from non-financial transactions, if they affect the preparation and presentation of financial statements as its end product.

Accounting information system can be defined as the sum of the people (liferer), equipment (hardware), computer programs (software), the stored data, means and methods of their organization (dataver), communications and network connections (netver) and organizational procedures (orgware) that enable the collection, sorting, recording, summarizing, storing data and information and the preparation and presentation of accounting information to interested users. An important characteristic of accounting information system is its control function because it allows monitoring of flows of movement of company assets which reduces the probability of unauthorized disposition to an acceptable level. Accounting is a supplementary activity in creating value added. [7]

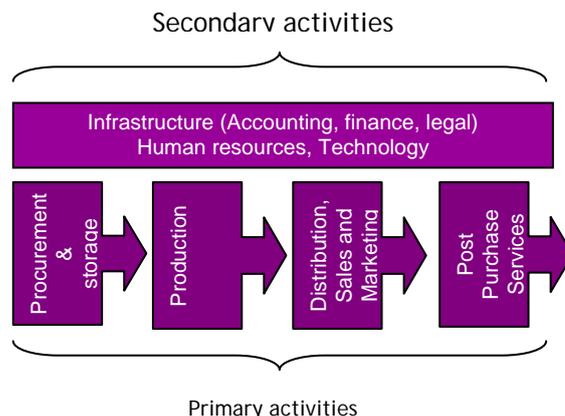


Figure 2. Chain of creating added value in the enterprise

The goal of every enterprise to create value for customers to whom it will sell the product or service and ultimately to achieve a positive financial result. In this sense, it uses a variety of tangible and intangible resources whose combination creates added value. In the process of creating added value, accounting information system is a supporting activity and is a part of the infrastructure of the company. Accounting information system provides accurate and timely information that make up the foundation of an efficient and effective execution of primary activities. It improves quality, reduces production costs of products and services, provides the basis for good decision making, etc.

The central and fundamental part of the AIS is the processing of data and its storage within the limits where particular attention must be paid to the following accounting elements:

- Accounting Principles
- Accounting Standards
- Accounting Policies
- Accounting Methods
- Legislation
- Accounts as instruments for accounting records
- Business books. [8,9,10]

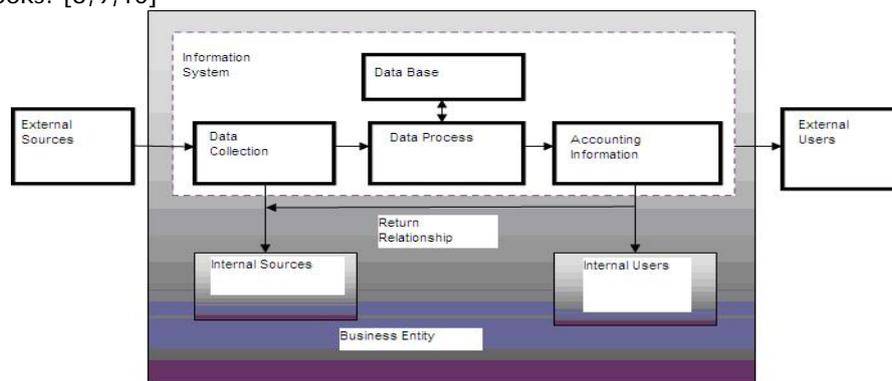


Figure 3. The general model of accounting information system

The work of the accounting information system is based on IT and communications technologies. The outputs of the accounting information system are information sets. They are usually presented with a variety of financial statements and notes. The financial statements are the balance sheet, income statement, cash flow statement and statement of changes in shareholders' equity, and their form depends on the requirements of the users of accounting information. Figure 3 shows general model of the accounting information system. [6] From the organizational aspect, computer accounting information system can be divided into: modular integrated and combined. [11]

#### ❖ CONCLUSION

The modern market environment treats information as an extremely valuable resource that gives operators the ability to act in a certain way, or to transform potential into real economic benefits. Net profit and loss, revenue growth and expense reduction in market share, introducing new products, changes in management are some examples of information that may affect the decision on how the investment of surplus funds and the restructuring of the portfolio.

Because of the importance of high quality accounting information base, it is necessary to give more attention into building an integrated accounting and information systems in a way that is most appropriate for a particular company.

AIS features and design of accounting information systems same as any information systems in general, is extremely complex process. It seeks to establish a set of relations of capital and intangible resources with the aim of quality monitoring, reporting and control process of a business process.

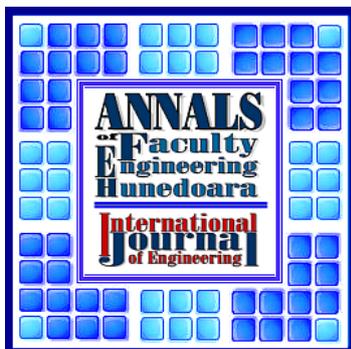
Necessary resources to successfully implement improvements in accounting information system depend on the specifics of the company and on certain areas of the system that need improvement.

In the process of designing an accounting information systems technical documentation is an indispensable tool. It includes descriptions, charting the course and other written material that elaborates the elements of information systems and their interaction in the company. They present all the essential elements of data entry, processing and storage, then the distribution of information and ultimately system control.

It can be concluded that in order to make better business decisions additional investments in connecting the accounting information systems with applications of other areas of business are needed while at the same time, if possible, level of information quality should be increased as well. The degree of integration of accounting information system indirectly determines the purpose and the possibility of its use in business or in business decision making.

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