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Problems Of Organization Of Management Accounting In Water Construction Organizations And Solutions

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Abstract: The article highlights the shortcomings and problems in the organization of management accounting, ways to solve these problems, as well as issues of improving the organization of management accounting, and studies the theoretical, practical and methodological aspects of management accounting. Errors and omissions in the organization of management accounting are considered, the main requirements for the formation of management reports in water management companies, the financial and economic activities of the business entity, which determines the management accounting system.

Keywords: management accounting, financial accounting, water economy construction, budgeting, harmonized budget, internal control, accountability centers, cost accounting, IFRS 11.

Introduction

In the modern world of development, one of the most important tasks of economic development is the creation of a developed business structure and the formation of a competitive management system at enterprises. In this regard, one of the most urgent problems facing enterprises is the need to create a complete, operational and reliable information and analytical base for making informed management decisions. The creation of a system of management accounting and analysis is one of the most important components of improving management. However, this process does not develop a unified methodological basis for the formation of a management accounting system; the goals of management accounting in the enterprise management system are not clear. Management accounting is complicated by the presence of many unresolved issues related to the financial and tax data of the enterprise. Management accounting is designed to collect up-to-date information for the company administration, property owners and staff. The goal is to make quick and efficient management decisions.

Improving the management accounting system should contribute to solving existing problems in its functioning. This will increase the efficiency of the enterprise. Therefore, it is important to study the main problems in this system.



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Analysis of literature on the topic

Economists do not have a general idea of the nature, purpose, functions of management accounting, as well as its relationship with other management systems. The subject of our research is the study of the essence and purpose of management accounting in the modern economy, its organization in water management organizations, as well as an in-depth analysis of internal control and budgeting in management accounting. According to O. Nikolaeva and T. Shishkova, "management accounting includes all accounting data for internal use at all levels of enterprise management" [1]. It follows that management accounting is an integral part of the enterprise information system. According to O. Nikolaev, "management accounting is necessary to systematize the process of obtaining the necessary information about the costs incurred in relation to the results obtained in the context of mandatory management objects" [2]. The author considers management accounting as an absolutely accurate enterprise management system, which includes a set of systems and management methods. G. Marchand's article "Accounting in the 21st century: the time has come" [3] argues that in today's rapidly changing world of accounting, management accounting is based not only on financial information, as it was in the twentieth century, but also on for profit. It was emphasized that this is due to the fact that today's management accountant is not just an ordinary person collecting information for executives, but also an active participant in the decision-making process, performing analysis of important data and offering executives solutions to the problems of effective business conduct. V.B. Ivashkevich defines management accounting as an interconnected system created to measure data extraction and business performance for the current management of a company [4]. According to Vetrova M.N., Kostyukova E.I., in order to improve enterprise management, the creation of a comprehensive concept of management cost accounting and the creation of a comprehensive concept should be based on the following grouping of costs: production costs [five].

According to Professor B. A. Khasanov, management accounting is a comprehensive presentation of information about the costs and results of an enterprise and its structural divisions from the point of view of the past, present and future. [6]

Economist A. D. Sheremet believes that management accounting is "an accounting system that provides its management with information that can be used to plan, manage and control the activities of an enterprise I am inside the company" [7].

T. P. Karpova interprets management accounting as follows: "The organization of management accounting is based on calculation, therefore its main content is the classification of various aspects of future and current production costs" [8].

In our opinion, management accounting is a system of economic activity organized by an organization for collecting, registering, summarizing and presenting information. Management, financial and annual accounting are the following accounting systems. Management accounting is the provision of conditions for an objective analysis of the effectiveness of the enterprise, as well as taking into account the wishes of all interested parties when making decisions. As well as the timely presentation of information on expenses and incomes received for making management decisions of the enterprise and its various divisions, accounting in accordance with the accounting policy of the enterprise, internal control of the enterprise, financial and economic management of the enterprise. Errors in the organization of management accounting:



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- many construction organizations do not have management accounting or have a very low level, which is a negative indicator, since the management mechanism is a unique self-regulation mechanism in the enterprise;
- The organizational structure of most water management enterprises has a high level of management functions, and it makes no sense to assign management accounting systems to such a structure, since all of its activities are inefficient and inefficient.
- lack of qualified personnel, low quality of labor resources.

Analysis and results

At the junction of accounting, information support, analysis, control and coordination, management occupies a special place in enterprise management: it connects the functions of control and information support, integrates and harmonizes them without reducing the quality of management. transition to a new level. There are many similarities between management and financial accounting as they use data in an enterprise's accounting system. One of the sections of this system is production accounting, which is the accounting of costs and income and the analysis of savings or surpluses in comparison with previous periods, forecasts and standards. In addition, the data of both systems are used to make management decisions. In turn, management accounting is an important element of the enterprise management system. It is necessary to describe the essence of management accounting and emphasize the most important feature of the connection between its management process and accounting. The main purpose of management accounting is to provide information to managers who are responsible for achieving accurate results. The process of preparing such information is included in the financial statements. may differ significantly from the data preparation process used. Considering the features of management accounting, we can conclude that it serves the following:

- provide the administration with the information necessary for production management and decision-making for the future;
- Calculation of the actual cost of products (works, services) and deviations from established norms, standards, estimates;
- Determination of financial results of sold products or their groups, new technological solutions, responsibility centers and other accessories.

Management accounting comprehensively and systematically uses a variety of methods, as it combines several practical and economic disciplines: planning, organization and production management, standardization, operational accounting, management analysis, etc.

Setting up a management accounting system is an internal affair of an individual enterprise. This follows from the goals and objectives of management.

The complete organizational structure of an enterprise depends on the following aspects:

- the nature of production and its industry specifics;
- the composition of the product and the technology of its preparation;
- type and volume of production;
- the level of technical equipment of the enterprise;
- forms of management (linear, linear-functional, matrix);



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- compatibility of the structure of the administrative apparatus and the hierarchical structure of production;
- the ratio between centralized and decentralized forms of management;
- the ratio between sectoral (by products) and territorial (by regions) forms of management;
- degree of control automation;
- to the staff.

Most water management organizations have a linear-functional organizational structure. This model assumes that functional managers only manage their departments. Management of employees is carried out by issuing orders and other internal orders through their superiors. At the same time, network managers have the right to approve and object to functional change projects, which leads to improved interaction between functional and network services.

This structure is good for working in a stable environment, as long as the situation does not change and does not require a revision of the monitored indicators. In such conditions it is very difficult to ensure the coordinated work of all services. Therefore, in our opinion, before the introduction of management accounting systems, it is necessary to carry out a structural reorganization that provides for a transition to an improved management structure. It is widely used in the management of large enterprises and has the following advantages:

- expansion of the rights of divisions, which increases the speed of response to changes in the external environment, helps the organization to adapt;
- Allocation of divisions as profit centers, which will allow not only to establish the responsibility of managers for obtaining income, but also to pay more attention to individual markets, products or consumers;
- creation of favorable conditions for the formation of the company's management personnel with experience in coordinating and regulating the activities of heads of independent structures and functional units;
- decentralization and transfer of authority, which to some extent frees top management from the current problems of the company's development and allows it to focus on solving strategic problems.

It should be noted that there is no standard set of control functions and control objects. Each user, based on his goals and objectives, forms only a list of functions and objects that he needs. The proposed list of functions and objects of management should be considered as one of the most likely options for understanding the essence of management accounting, and not an incomplete list. Management functions and the formation of a particular set of management objects allow us to consider different concepts of management accounting. Based on the above classification of management objects, we can say that management accounting involves the implementation of management functions in relation to the following, acting as an information base for enterprise management:

- a set of internal business processes that organize the activities of the enterprise;
- Structural units involved in the activities of the enterprise;
- various resources used in the production process;
- Indicators characterizing the activity of the enterprise.



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The allocation of responsibility centers or points of cost formation is a necessary and obligatory condition for creating an effective management accounting system at an enterprise [9].

To date, construction companies are mainly represented by cost centers and income centers. Profit centers are very rare, and investment centers sometimes stand out. Changing the organizational structure of the enterprise and the formation of responsibility centers involves not only the fulfillment of functional obligations, but also the introduction of responsibility for the results achieved.

When determining responsibility centers, the technological structure of the enterprise is taken into account, then its horizontal and vertical sections are distinguished. The horizontal section is limited to the scope of activities of each responsible for the center, while the vertical section provides for a hierarchical hierarchy of legal rights of decision makers.

Horizontal and vertical sections of the enterprise's responsibility centers allow combining centralized management with the initiative of the heads of structural divisions of enterprises to achieve a common goal.

Construction companies in the water sector Organizational and structural features of an enterprise primarily affect the organization of management accounting, in particular, the organization of management accounting in responsibility centers related to the nature of services.

Disadvantages of accounting for the most important part of the management accounting system:

- cost accounting continues to be considered as an integral part of accounting;
- accounting data reflect only the quantitative characteristics of costs, while reflecting the qualitative side of the activity;
- the current classification of costs does not fully provide the communication network with information to reduce costs and improve the efficiency of future services;
- The existing method of cost accounting is characterized by simplification of accounting, which does not pay off in market conditions. They reduce the accuracy and objectivity of information on cost indicators, do not provide control over costs over their sources and sources of income;
- the current methodology does not provide an information mechanism for prompt and economical analysis of changes in development conditions, as well as operational cost analysis for making management decisions and making adjustments to production programs;
- Cost accounting does not provide accurate information about the results of the production department, which complicates the control over its activities.

To solve the existing problems in this area, it is necessary, first of all, to organize enterprises in such a way as to ensure an acceptable level of cost and the possibility of reducing it. With this approach, the focus is on the distribution of indirect costs and the calculation of actual costs, from calculations to project cost calculations, to the creation of routine calculations, to control over the production process, to the organization process.

Cost classification plays an important role in cost accounting and needs to be improved. Its main drawback is the emphasis on the correct calculation of the cost of production while reducing the emphasis on ongoing cost control. The purpose and task of cost classification is, first of all, to meet the needs of external users of information. By more accurately measuring the resources available for each product, a business can determine its internal sources of profit or loss. If the



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accounting system does not provide a sufficiently accurate accounting of resource consumption by product, managers may refuse to produce useful products or continue to produce products that are actually unprofitable.

Reporting is the final stage of any accounting system and accounting process. In the current situation, internal reporting is an integral part of the accounting and control mechanism of the enterprise, which makes it possible to study the state of the enterprise in more detail and reasonably, as well as influence strategic and operational management decisions. . The following are just some of the ways in which accounting policies are developed.

The purpose of management reporting is to meet the information needs of the company's management. In this regard, the exclusive competence of managers is to determine the content, frequency, timing, forms of management reports and requirements for the procedure for their presentation. Their task is to explain to the performers their requirements - how much information should be received. Construction in the water industry Enterprises use a three-level management reporting system:

- summaries - brief information about individual indicators of the department's activities on a certain date;
- final reports - summarize information on indicators of control of the responsibility center;
- General reports - contain information about the performance of the enterprise and its components for a certain period.

Conclusions and offers

Management accounting is necessary for the normal operation and development of the enterprise. With its help, managers and managers determine the main direction of the company's development, taking into account its material resources and market demand. Management accounting allows you to accurately take into account all internal and external factors in determining the specific goals of the enterprise development and ways to achieve them.

The development of management accounting systems and the use and interpretation of the data generated by these systems are critical to the success of today's global manufacturing and service organizations in a competitive and complex technology environment. The purpose of management accounting in construction organizations is to develop a management strategy in a market economy, improve work efficiency, and ensure control over the performance of work. In the course of our study, we believe that when forming a management accounting system in construction organizations, it is necessary to solve a number of problems:

- adequate assessment and calculation of the cost of works and services;
- control over the production and service process;
- accurate accounting of profits and accurate calculation of financial results;

By applying the International Financial Reporting Standard "Contracts under construction" in the management of work, we can solve the problem of adequate assessment and calculation of the cost of services. This is because the standard focuses on costs. This standard gives a detailed description of the costs of construction companies, as well as a classification of cost sustainability. The standard cost classification can be used by construction companies to create a database of cost items.



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As a result of the study, to improve the system of management accounting and reporting in water management construction organizations, the following is proposed:

1. Adapt reporting to the needs of different levels of management;
2. Development of long-term strategies based on the assessment of the company's competitiveness in the domestic and global markets;
3. Develop an internal control system;
4. Improving the cost accounting system and the regulatory framework for calculating their planned level.

5. It is advisable to introduce IFRS 11 Construction Contracts in management accounting. The purpose of this standard is to regulate the accounting of income and expenses under construction contracts in construction organizations, as well as control over the distribution of income and expenses by periods.

Management accounting is linked to the organizational structure formed at the enterprise. Therefore, the effectiveness of this system largely depends on the efficiency of the enterprise. Improving the management accounting system should not only lead to changes in the organizational structure of the enterprise, but also be carried out after these changes.

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