

## Improve the Accounting Organization in Medical Equipment Business Enterprises in Nghe an Province, Vietnam



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**SUMMARY:** The article presents the theoretical basis of accounting work, requirements, and methods of organizing accounting work in commercial enterprises. Currently, the organization of accounting work in medical equipment trading enterprises in Nghe An province is still limited. With characteristics such as small size, the need for accounting information is specific, unlike large enterprises, so the organization of accounting work has not been focused. Based on the actual survey data, and in-depth interviews with the accounting team, the research team identified several shortcomings in the organization of accounting work such as vouchers, accounting books, and accounting reports. ... at the same time pointing out the causes of these existences. From the above limitations, the article also proposes some measures to improve the organization of accounting work in medical equipment trading enterprises in Nghe an province.

**KEYWORDS:** Organization of accounting work; Enterprise; Medical equipment; Nghe An

### 1. THE PROBLEM

Organization of accounting work is one of the contents of organization and management in enterprises. The organization of accounting work must be suitable to the size and characteristics of the business as well as the management requirements of the enterprise. Over the years, the legal framework on accounting for businesses has always been improved, creating a relatively unified and convenient legal framework for the State management of finance as well as the organization of accounting work in service businesses. The organization of accounting work in commercial enterprises of the country in general and medical equipment trading enterprises in Nghe An province, in particular, has many limitations. With characteristics such as small size, the need for accounting information is specific, unlike large enterprises, so the organization of accounting work has not been focused. Many contents of organizing accounting work in enterprises such as organizing the system of vouchers, accounts, accounting books, accounting checks, the recording of arising data without logic, accounting reports of enterprises, etc. This business has not fully met the information requirements such as debt, and inventory... has not focused on the organization of management accounting, businesses have not paid attention to the management role of accounting. This is also a barrier when businesses want to access resources, especially capital due to limited transparency. To create a foundation for the development of both quantity and quality of medical equipment businesses, these enterprises need to improve their accounting organization in the coming time.

### 2. THEORETICAL BASIS

#### Commercial businesses

Currently, there is no concept of a commercial enterprise, but through the Enterprise Law 2020 and the Commercial Law 2005, it can be understood that a commercial enterprise is a business unit established to carry out business activities. Trade, organize the purchase and sale of goods to make a profit.

#### Medical equipment

Medical equipment means all kinds of equipment, instruments, materials, implants, drug preparations, etc. to serve people for the following purposes: Diagnosis, prevention, monitoring, treatment, and treatment. mitigating illness or compensating for injury or injury; Examining, replacing, correcting, or assisting in anatomy and physiological processes; Supporting or sustaining life [1].

#### Accountant

According to the Accounting Law of Vietnam (2015), accounting is defined as the collection, processing, examination, analysis, and provision of economic and financial information in the form of value, in kind, and labor time motion [2].

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## **Organization of accountancy**

According to the Book of Accounting Organization by author Nghiem Van Loi (2019), Accounting organization is the work of organizing, arranging, and creating a relationship between the elements of the accounting system. Accounting organization includes the organization of the accounting apparatus and the organization of accounting activities to collect, process, and provide information to meet the needs of users most effectively [3].

## **Requirements of the organization of accounting work in commercial enterprises**

**Control:** The organization of accounting work in commercial enterprises must provide truthful, reasonable, and reliable information; Must ensure the safety of assets and information; Must conform to the requirements and regulations of the internal control system in the unit.

**Efficiency:** When organizing accounting work in commercial enterprises, it is necessary to consider the efficiency of accounting work.

**Relevance:** The organization of accounting work in commercial enterprises must meet the requirements of providing timely and appropriate information for management and the financial reporting system by regulations.

**Flexibility:** The organization of accounting work in commercial enterprises needs to ensure the flexibility of the accounting information system provided by accountants, which can be suitable for current and future conditions.

## **Organization of accounting work in commercial enterprises**

According to the accounting law (2020), the organization of accounting work in commercial enterprises needs to adhere to 4 principles. Must comply with current accounting legal documents of the State; The organization of accounting work in a commercial enterprise must conform to the characteristics of the business organization and management organization of the commercial enterprise. The organization of accounting work in a commercial enterprise must select people who are fully capable and qualified to do accounting work. The organization of accounting work in commercial enterprises must ensure thrift and efficiency.

Organization of accounting work in commercial enterprises, including Organization of accounting apparatus, organization of accounting documents, organization of accounting accounts, organization of accounting books, organization of accounting reports accounting, and organization of accounting inspection.

## **3. RESEARCH METHODS**

**Documentary research method:** Collecting and researching relevant research works have been carried out to draw and develop the theoretical basis for the topic. The theoretical contents are selectively inherited from the research results of published scientific works on the contents related to the organization of accounting work, the characteristics of business activities, and the organization of management. Commercial enterprises, draw independent theoretical issues with scientific arguments on the organization of accounting work in medical equipment trading enterprises.

**Descriptive statistical method:** Using primary and secondary information to make an assessment and system of primary and secondary data on the actual situation of the organization of accounting work in medical equipment trading enterprises. in Nghe An province.

**Methods of analysis and synthesis:** Analyze and synthesize data collected from primary and secondary data sources. Processing data to calculate relative numerical indicators to indicate the causes of fluctuations of the research phenomenon. This method is used to compare and evaluate the actual status of accounting work in medical equipment trading enterprises in Nghe An province.

## **4. ORGANIZATION OF ACCOUNTING WORK AT MEDICAL EQUIPMENT TRADING ENTERPRISES**

### **4.1. Operational status of medical equipment trading enterprises in Nghe An province**

To have a practical basis to assess the actual situation of the organization of accounting work in medical equipment trading enterprises in Nghe An province. The study conducted a mail survey with enterprises licensed to trade in medical equipment in Nghe An province. With a total of 105 survey letters, the research team received 61 responses, including 54 valid responses.

**On the scale of operation:** Currently, in Nghe An province, there are over 200 business establishments related to the field of medical equipment. Of these, 105 are medical equipment trading enterprises with legal status and their seal. The rest are small, spontaneous retail stores.

**Regarding business distribution:** Medical equipment trading enterprises in the province are distributed spontaneously and unevenly between rural and urban areas, mountainous areas, and plains. Businesses are mainly concentrated in cities, towns, and towns in densely populated areas.

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About business characteristics: Medical equipment trading enterprises in Nghe An province mainly trade in class A medical equipment, which is low-risk medical equipment.

Regarding the scale of labor in medical equipment trading enterprises: According to the survey data of the research group on 54 medical equipment trading enterprises in Nghe An province, there are 15 enterprises with less than 10 employees (accounting for 27.8%), and 26 enterprises with several employees under 10 people (accounting for 27.8%). The number of employees is from 10 to less than 50 people (accounting for 48.1%), and 13 enterprises have more than 50 employees (24.1%).

**Table 4.1. Labor size in surveyed enterprises**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 10 people	15	27.8	27.8	27.8
	From 10 -> less than 50 people	26	48.1	48.1	75.9
	Over 50 people	13	24.1	24.1	100.0
	Total	54	100.0	100.0	

Source: Survey results of the research team

About the average annual revenue. According to the data of the research team in Table 2.2 about the average annual revenue of medical equipment businesses, there are 39 enterprises with an average annual revenue of between 3 billion and less than 50 billion (accounting for 72 billion VND). .2%), 15 enterprises with revenue of 50 billion or more (accounting for 27.8%).

**Table 4.2. Average revenue in the year of surveyed businesses**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	From 3 billion-> Under 50 billion VND	39	72.2	72.2	72.2
	From 50 billion or more	15	27.8	27.8	100.0
	Total	54	100.0	100.0	

Source: Survey results of the research team

Thus, through data analysis on labor size and annual revenue of 54 medical equipment trading enterprises in Nghe An province, it was found that medical equipment trading enterprises in the province Nghe An have small and medium scales.

### 4.2. Actual situation of organization of accounting work in medical equipment trading enterprises in Nghe An province

The survey results of 54 medical equipment trading enterprises in Nghe An province showed that 54/54 enterprises chose the centralized accounting system model. The whole enterprise organizes an accounting department, including accounting departments that are responsible for each separate accounting function but have a close relationship with each other.

Regarding determining the type of documents to be used: 54 enterprises (100%) fully determined the type of documents to be used by current regulations and the business cycle of the enterprise.

About the organization of the document circulation process. The reality of organizing the inspection of accounting documents The survey results show that 21 enterprises (accounting for 39%) have not fully organized the inspection of vouchers, in some enterprises first checking accounting documents. The accountant's calculation is still limited. All businesses have a document circulation process. However, when conducting in-depth interviews, the research team found that the document circulation process in enterprises has not been carried out methodically, scientifically, and fully, basically just verbal conventions that have not been properly implemented. concretized by specific documents and procedures.

The actual situation of the organization of accounting accounts. About setting up the account to use. At 54 medical equipment trading enterprises in Nghe An province responded to the survey. Enterprises based on the number of arising economic transactions to build a system of general and detailed accounts according to management requirements, such as groups of accounts reflecting cash and payment accounts of Account 111, Account 112, Account 113, Account 131... group of accounts to monitor revenue such as Account 511, Account 521, (For example, the accounting system at Hung Lam medical limited liability company, Appendix 2.12). The identification of accounts used for financial accounting, and medical equipment trading enterprises in the province fully respects the system of accounting accounts according to regulations.

The survey results showed that 54/54 enterprises applied the accounting regime according to Circular 133, accounting for 100%. The main accounting form chosen by enterprises to apply is the general journal form, which 31/54 enterprises use, accounting for 57.4%, according to the opinion of the chief accountants of the enterprises. This accounting form is easy to use and

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familiar, so it can be done easily. The form of accounting vouchers is applied by 15/54 enterprises, accounting for 27.8%, and the form of machine accounting is selected by 8/54 enterprises, accounting for 14.8%.

On the principles of organizing the financial accounting reporting system. Regarding the implementation of the principle of organizing the reporting system through the survey sample, it was found that all enterprises strictly adhered to the principle of making and presenting economic and financial indicators reflected in the financial statements, sample the table is designed to be simple, convenient, and to ensure the basic requirements and principles of accounting as prescribed by the accounting regime for commercial enterprises, and to meet comparable requirements.

About the organization of the preparation of financial accounting reports. All 54 surveyed enterprises (accounting for 100%) have fully complied with the number of financial statements that are the Balance Sheet; Report on business results; Notes to the financial statements, for the statement of cash flows, only 21/54 enterprises (accounting for 38.9%) were able to complete the cash flow statement and 33/54 enterprises (accounting for 61.1) % is not making a statement of cash flows. However, only 25/54 enterprises (accounting for 46.3%) fully presented the criteria on the financial statements, and 29/54 enterprises (accounting for 53.7%) made the remaining reports. finance. All medical equipment trading enterprises in the surveyed Nghe An province have fully complied with the submission of annual financial statements to tax agencies directly managing, statistical offices, and registration agencies. business registration and posting on the enterprise's website.

The method of accounting inspection of medical equipment trading enterprises in the province is frequently used as the verification method (100% of opinions); Confirmation and interview methods are used only when necessary (100% of the opinions); Observation method is used occasionally 80% of the opinions and 20% of the opinions are used only when necessary; Analytical method 76% of comments are used regularly, 24% of respondents said that they are used occasionally.

### **4.3. The restrict and causes**

#### **The restrict**

Besides the achieved results, the organization of accounting work at medical equipment trading enterprises in Nghe An province still has some limitations.

#### **The apparatus organization**

Enterprises in the province have an accounting system that has not yet fully met the requirements for providing information. The number of accounting functions in each position of accountant in the accounting apparatus has not been determined reasonably. job analysis has not been organized, or the analysis of accounting work has not been methodical and scientific. Therefore, there is a lack of scientific and practical basis to reasonably determine the number of accountants. The computer skills of accounting staff are still weak, basically not meeting the requirements of businesses.

#### **The organization of accounting documents**

Many businesses have not yet met the control and update in the design of accounting voucher templates. Some vouchers do not have enough necessary information, there are vouchers with redundant information that have not been modified or supplemented by the business reality of the enterprise. Some businesses have not fully organized the inspection of accounting documents, the first-time inspection of accounting documents by accountants is still limited, and some documents even lack some other prescribed contents. such as not recording the date and month of the arising economic transaction on the voucher and missing the signatures of related parties.

#### **The organization of accounting books**

The main accounting method chosen by enterprises to apply is the General Journal form, used by 31/54 enterprises, accounting for 57.4%. The popular choice of this form of accounting is not suitable for some small-scale medical equipment trading enterprises with few accountants.

#### **Accounting statements**

Some enterprises make mandatory financial statements according to the provisions of the accounting regime, but several items are not recorded or are not fully recorded.

Most enterprises do not prepare cash flow statements and do not ensure the deadline for submitting accounting reports to state management agencies as required by the accounting regime.

#### **The organization of accounting inspection**

The content of accounting inspection of medical equipment trading enterprises only focuses on checking the truth and legality of economic and financial contents on accounting vouchers and books. And the checking of other content is of little interest such as: Checking the validity of documents; Check the clarity and conspicuousness when recording the accounting books; Check the

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assignment, assignment, working style of the accounting apparatus, which are very important contents to improve the quality of accounting information in the enterprise.

### The form of accounting inspection

All surveyed enterprises focused on checking after recording arising economic and financial transactions. The inspection before and during the accounting recording process is not performed by any enterprise, but these are forms of checks to prevent and timely prevent errors in the process of recording economic and financial transactions. to minimize repair costs.

### The cause of the restriction

There are still some limitations mentioned above due to some main reasons as follows:

Business owners do not fully understand the importance of accounting in business operations. Businesses have not yet fully realized the role of accounting in running their business.

The application of information technology in business activities in general and the organization of accounting work in particular in medical equipment trading enterprises in Nghe An province in recent years has faced many obstacles and difficulties. Because most enterprises have small business scale, investment in information technology is inefficient, the capacity in using information technology in enterprises is still limited, and the financial capacity to organize Information technology applications for business activities and organization of accounting work of enterprises is still weak.

**Table 4.3. Statistical assessment of accounting staff's computer skills**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Meet the requirements	13	24.1	24.1	24.1
	The request has not been met	34	63.0	63.0	87.0
	Normal	7	13.0	13.0	100.0
	Total	54	100.0	100.0	

**Source:** Survey results of the research team

The practical capacity of accountants in medical equipment trading enterprises in Nghe An province is slow to adapt to changes in job requirements.

### 4.4. Some solutions to improve the organization of accounting work at medical equipment trading enterprises in Nghe An province

**Firstly**, perfecting the organizational structure model. Medical equipment trading enterprises in Nghe An province need to rebuild the organization of their accounting apparatus to fully meet the requirements of providing information to outsiders as well as inside the business.

**Second**, improve the organization of the voucher system and the circulation of accounting vouchers. The voucher system needs to be specifically identified for each activity, each type of business, and each relevant department. Determine the responsibility of each department in the process of making and receiving documents. The voucher must fully reflect 7 mandatory elements of an accounting voucher, which are: name, name, and address of the preparer, name, and address of the related party, arising business contents, business scale, number, and time of making documents, and signatures of related parties. The voucher must specify the form of the voucher, the content of the criteria to be reflected, and specify the department and everyone that prepares the type of voucher. When designing voucher templates, they must meet the requirements of providing information for financial accountants.

**Third**, perfect the organization of the accounting system. The system of accounting accounts is used to systematize information on the economic and financial activities of enterprises, serving the preparation of financial statements. In medical equipment trading enterprises, perfecting the organization of the accounting system, and organizing the application of the accounting system to meet the financial accounting requirements. Based on the prescribed system of accounting accounts, the enterprise needs to organize the selection and identification of the necessary system of accounting accounts, suitable to the characteristics of business operations, management qualifications, and professional qualifications. accountant of your business.

**Fourth**, perfect the organization of the accounting book system. The organization of a scientific and reasonable accounting book system plays an important role in the organization of the accounting work of enterprises, which is the basis for complete, timely, and accurate information on the current situation and changes. of accounting objects serving business management requirements. The current accounting book system of some medical equipment trading enterprises in the province has not met the requirements

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of collecting, processing, and providing information, so it is necessary to complete a detailed accounting book system. to be able to provide information according to each management object, each department, and each type of activity.

**Fifth**, perfect the organization of the financial accounting reporting system. Enterprises need to complete the financial reporting system at their units with the following basic contents: Prepare additional statements of cash flows, showing the sources of cash generation and the purposes of using the money of the enterprise. enterprise. The cash flow statement will show the balance between the cash flow generated in the period with the money spent in the period and will show the effectiveness of financial management in the enterprise; Complete and improve the quality of the information in the notes to the financial statements.

**Sixth**, complete the organization of the accounting inspection. The inspection should be carried out before and during the accounting recording process to promptly prevent and prevent errors in the process of recording economic and financial transactions to minimize the remedial costs. It is advisable to set up a department specializing in auditing the accounting work so that it can conduct regular checks on the organization of the rotation of vouchers, the recording of accounting books, and the preparation of accounting reports.

**Seventh**, invest in upgrading the accounting information infrastructure system. Invest in accounting information infrastructure including hardware and software for the accounting department. Enterprises need to ensure the information security of the entire system.

**Eighth**, improve the professional qualifications of the accounting team. Business managers need to pay more attention to professional training for accountants; Require accountants to regularly update the State's amendments to the accounting regime so that they can be accurately applied in their work, and fully comply with the mandatory requirements of the accounting regime.

### 5. CONCLUSION

The organization of accounting work in medical equipment trading enterprises in Nghe An province is a complex issue that needs to be studied carefully to meet management requirements. In addition to the obtained results, the study is not immune to certain limitations. The research sample cannot completely represent the opinions of all medical device businesses, researchers, and users of accounting information, the selected sampling method is convenient. Therefore, the sample quality is not optimal. During the research process, the research team encountered many difficulties in theory and practice, so it was inevitable that certain limitations and shortcomings could be avoided.

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