

JEL M16, M41

CONSOLIDATION OF ACCOUNTING INFORMATION IN COMPANY'S MANAGEMENT SYSTEM

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Abstract — The paper discusses essence of managerial accounting statements and grounds special accounting procedures to consolidation of accounting information, that allow to justify managerial decisions at different levels of management

Key Terms — Accounting, accounting procedures, consolidation of accounting information, consolidated managerial statements.

The development of the theory and methodology of management requires further improvement of the information base of the substantiation of managerial decisions. Consequently, the methodology and technology for synthesis of management information, management reports and consolidation of statements need to be continuously improved in line with the development of general system of company management.

However, the review of scientific literature shows that the problems of the formation of managerial statements are paid insignificant attention compared with other aspects of management. Separate aspects of reporting within the framework of the management accounting system are disclosed in the scientific publications of Y. Yu. Mrdyan, A. Slobodyak, A. L. Romanchuk, E. Tulenev, P. Ya. Khomin, O. A. Chukhlib, L.S. Shatkovskaya and others

The purpose of this paper is to justify approaches to consolidating managerial statements in order to provide internal users with relevant information on the results of economic activity at different levels of management

The preparation of managerial statements is a separate task of the accounting and analytical

system, which requires the application of special principles, methods and tools. In general, the process of formation and consolidation of managerial statements consists of the following aggregated procedures:

identification of managers' requirements to the information they need to make managerial decisions;

development of accounting principles that must be followed in managerial accountability, including methods for consolidating managerial statements for a group of companies;

development of methods for obtaining necessary data from accounting systems, including adding / changing analytics object references, the organization of parallel accounting or transformation of primary data;

analysis of information collected in the management accounting, development of recommendations for managers on the basis of the analysis;

organization of access to managerial statements of company managers taking into account the right of access to information representing commercial secrets.

In modern conditions, when a two- and three-tier production management system is used, there should always be a clear regulation of internal reporting. The presence of enterprises of various forms of ownership, size and scope of work requires a variety of balanced approaches to the issue of management reporting. Internal reporting of an enterprise should be different in volume and detail for different levels of management: the lower the manager is in the hierarchy, the more detailed information he should be provided with. In view of this, the formation of information provision of accounting managerial statements at domestic

enterprises should be carried out in the following order:

definition of the entities that take part in the formation of accounting management reporting and use of its information;

determination of information needs of decision makers, goal setting and task setting, which should be solved by using informational accounting management reporting;

creation of outgoing documents - forms of reporting and their indicators, which are presented in accounting management records - indicators of a higher level;

construction of the informational model of accounting management reporting in the form of graphs, its ordering, the allocation of indicators for inclusion in the database, the formation of a set of indicators at initial level, compiling a list of primary documents containing the input information;

development of regulations, according to which the accounting management reports for each object will be formed;

development of means of information processing on objects of accounting management reporting;

formation of channels of receipt of primary information;

control of the main parameters at each of the listed stages, quality control of the received accounting reports as a result of the use of information support with the identification of the most significant deviations from the goals set, returning to the initial stage and the beginning of a new cycle.

Such a technique is universal and can be used during the formation of accounting management reporting by any enterprise, since it includes an objective component - the economic activity of the enterprise (objects and processes), the subjective component - users of information and accounting officers responsible for reporting; the principles of the formation of managerial reporting and regulations, which serve as the basis of organizational support for the system of accounting management reporting.

When forming managerial statements, it should be kept in mind that in the development of management decisions, certain assumptions are made that need to be set for future periods,

both throughout the enterprise and in the centers of responsibility. Such assumptions made during the development of goals and plans should be clearly articulated and need to be further monitored. Such an approach to the assessment of managerial decisions will make it possible and control of their justification, as well as adjustments of assumptions and, accordingly, plans.

The information contained in managerial statements must be sufficient for decision-making. Reporting should include data on the volume of actual work performed and its quality; planned and actual timelines for the implementation of a specific project; financial and economic indicators. Within the limits of additional information it is possible to include non-financial indicators on a particular project (volume of used materials, quantity of purchased equipment), data on preparation of design and permit documentation (terms of execution, composition of documents, responsible persons), information on material and technical provision (responsible persons, volumes of deliveries, terms), data on the execution of construction and installation work (installation of equipment, testing and commissioning) [1, p. 34]. Such data will make it possible to decide on the volumes and timing of additional financial resources, the cost-effectiveness analysis and so on.

Managerial statements should be presented to the management with the distinct periodicity, that allow to monitor and observe costs and actual deviations from plans. The efficiency of the system of internal accounting management reporting directly depends on the criterion of efficiency - timeliness of the compilation, submission and processing of internal managerial statements. Information can be operative under the condition of automated data processing, which is one way to improve the internal reporting system of the enterprise. A well-formed system of internal accountability of the centers of responsibility is, for senior management, a precise and exhaustive description of a particular sub-section, and therefore the basis of management decisions.

Internal managerial statements are formed under the influence of enterprise management

subsystems, namely: accounting, economic analysis and budgeting (planning). The dependence of internal management reporting on the features of the above-mentioned management subsystems is due to the following: firstly, the organizational structure of enterprise management affects the definition of centers of responsibility, cost centers, serving as reporting units, and information requests of management representatives determine necessary information contained in such reporting to ensure the adoption of managerial decisions; secondly, forms of organization of accounting, economic analysis and budgeting determine the directions of interaction of subsystems of management and establishing communication between them through the system of internal management reporting; and thirdly, the peculiarities of the methods of accounting for expenses and receipts, their analysis and budgeting are determined by the directions of formation of indicators of internal accounting, forms of presentation of such reporting.

Reporting by cost centers should include not only accounting information, but also planning, normative, technical, etc., that is, such reports should display integrated (managerial) information. An important element (indicator) of the reports of the cost centers is the deviation from the plan. The explanatory note to such a report should disclose the reasons for the deviations and, if possible, their perpetrators [2, p. 4].

Taking into account the specifics of the organization of business activity at the enterprise, it is necessary to develop the **Instruction for reporting (internal regulatory regulation), which contains the internal normative information concerning: types, forms and formats of reporting; the basis for using information, indicators, which should be reflected in the report, methodology for the formation of indicators, users of consolidated managerial statements, assumptions for future periods, periodicity of presentation of data in the split of types of managerial statements.**

In the case of the practical application of the above stages of the consolidation of

management information in the general management system, the functions of control over the centers of responsibility, monitoring of deviations from the set goals, operational decision-making on responding to deviations from plans, and also development of perspective managerial decisions on strategic development of the enterprise are simplified.

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Manuscript received 07 February 2018.

Published as submitted by the author(s).