

To combine accounting of total estimates, administration, state treasury and village budget into budget accounting

by NGUYỄN VĂN HỒNG

1. Existing problems

Over the past years, the Vietnam accounting system has been comprehensively reformed, thus brought a lot of great achievements to the accounting and auditing sector. Since its promulgation, the Budget Law has changed basically the task of managing public finance, in which the state budget accounting is extremely important. To implement the Government's strategy of administrative reform in the 2001-2010 period, one of 4 important tasks – public finance reform should be taken just in this period. The Ministry of Finance has made investigation over the application of accounting systems to the public finance in some provinces with a view to building a unified project of budget accounting for better management of state budget.

At present, there are 4 accounting systems regulated by the Ministry of Finance's 4 different decisions in various time including the accounting of total estimates for financial agencies, accounting of administration for agencies using the state budget, accounting of state treasury for the state treasury and accounting of village budget for village government. This has made accountants easily mistaken and hard to remember and caused a lot of difficulties to inspection, supervision and final accounting.

The construction of the system of accounts, names of accounts, the rules of numbering accounts of level 1, level 2...is obviously different as in the accounting systems of total estimates and state treasury. In particular, the accounting of administration and village budget has some similar and different points. Moreover, there are so many accounts, for example, the total estimates accounting system has 33 accounts, administration 34, village budget 15 and especially 48 level-one accounts, 165 level-two accounts and 607 level-three accounts. This practice has caused obstacles to the task of final accounting, making balance sheets and general accounting.

The system also includes so many kinds of vouchers and accounting books which are overlapping and become challenges to accountants. The

list of vouchers, for example, includes 26 forms of the system and 14 forms regulated by other legal documents and 28 kinds of accounting books applicable to the administration accounting; 63 and 23 forms, and 13 kinds of books respectively to the state treasury accounting and 36 forms and 22 kinds of books respectively to the village budget accounting.

The forms of accounting statements are established in accordance with the specific accounting system to serve its users. For example, the statement forms of administration accounting are used for administrative agencies. This is easily understandable because when preparing to issue one accounting system, the users have been assigned tasks of proposing the process or devising the draft so that the Ministry of Finance considers and finally signs the decision. Therefore, statements of these accounting systems are not uniform in terms of indicators to be reported and forms. This causes difficulties to reference and general report.

When accounting the revenue and expenditure of budgets of all levels (central, province and district governments), financial agencies, the state treasury, budget users have to use three different accounting systems. However, in final analysis, these systems have the similar contents and reflect only budget revenue and expenditure. As a result, the combination of these accounting systems into a unique system which can be called the budget accounting is very appropriate to the urgent need for accounting renovation. In addition, village is a budget level and an estimating unit and villages are now using the accounting system established by the Ministry of Finance on the basis of the administration accounting system. The budget accounting system is thus suitable for all of four levels of budget and favorable for the process of considering and finally accounting the state budget, at the same time it meets requirements for reforming the accounting in the public finance.

2. Orientations of combination

The combination must be seen as a task in the Ministry of Finance's pro-

gram on administrative reform and an important project to be immediately realized. It is also the responsibility of the agencies issuing the accounting system, accounting researchers, teachers, financial and auditing agencies.

The combination of budget accounting systems is targeted at long-term benefits and serving the accounting of revenue and expenditure from the state budget. In the meanwhile, the obligations and relations between financial and tax agencies, the state treasury, customs offices and other relevant agencies in the state budget accounting.

Authorized agencies are required to review regulations and legal documents concerning obligations of financial and tax agencies, customs offices, the state treasury for timely rectification. This is an important task because it may directly affect the organization and benefits of agencies.

The budget accounting system must abide by provisions of the State Budget Law and national and international accounting standards.

The accounts should depend on the accounting system applied to enterprises, only accounts specially used for budget can have different names but they must be simple and easily remembered. The forms of vouchers, books, financial statements must be reduced but adequate and convenient for reference and final accounting. The system should make the best use of information technology advantages.

The budget accounting system should include five chapters such as general provisions, system of vouchers, system of accounts, system of accounting books and system of financial statements.

In short, the combination of the accounting systems of total estimates, state treasury, administration, and village budget into the budget accounting system is one of complicated, important and new problems. It requires the consensus from concepts to activities as well as efforts of scientists, researchers and teachers in the accounting and auditing area and performers. Upon completion, it is really a great success in the public finance reform and the perfection of Vietnam's accounting system ■