

ISSUES & OPTIONS OF ACCOUNTING AND ACCOUNTANT IN MODERN ORGANISATIONS.

ABSTRACT:-

The role of an accountant in modern commercial environment is more vital as it has been realized that a good accounting procedure is necessary for the well being of an organization. The contribution of an accountant for the growth and development of the society and economy cannot be under underestimated now. The importance of the accounting system is felt due to business analysis and decision making purpose, record keeping, prevention of frauds and corruption, availability of loan and creation of good will of the organization. In modern society the accountant have to play the role of a business analyst, formulation plan for

business ,conduct market research, management of finance and risk taker of the business. Most of the modern accountants provide legal assistance to the management of the organizations. Now accountants provide information through AIS and MIS to the enterprise in order to compete with other organizations in the market. The responsibilities of an accountant is to fight against economic fraud and financial crime in the society.

KEY WORDS:- Accounting Information System(AIS) ,Management Information System(MIS),Economic Fraud ,Forensic Accounting, Globalization, Financial Statements.

INTRODUCTION.

Those days are gone when an accountant only perform his or her duties and responsibilities as a back office staff. In the competitive society and commercial environment the role of an accountant is more vital. Now it has been realized that the overall wellbeing of an organization depends on an accountant. It has been proved many times the commercial well being of an organization is more dependent on a well defined accounting procedure where the attention of the customers as well as the investors can be attracted by the organization.

The importance of accounting in today's modern society cannot be over emphasized by the pervasiveness of accounting and accounting information. They are becoming more pronounced and continuously enjoying advantage position which enables them to contribute for the growth and development of modern economy.

Now a days duties and responsibilities of accountants not only limited with preparation and finalization of accounting procedure of an organization but also perform various managerial and decision making compliance, reporting fight against economic crime, fraud etc. All most all the universities and professional institutions now changed their course curriculum of accounting in order to meet the expectation of general public as a whole by the society. Hence it is felt that accounting is the

universal business language. Without accounting information which is the major role of an accountant, the whole business of the society can collapse. It can bring disaster to the society.

Before discussing the duties and responsibilities of accounting for the society it is necessary to overlook regarding the importance of accounting for the betterment of society. Accounting and accounting information plays a vital role for the business enterprise now. For the betterment of the business organization as well as of the society the duties and responsibilities of an accountant cannot be under estimated in today's world. The era of globalization increases the importance of accounting information as well as the duties and responsibility of the accountants.

OBJECTIVES

- 1.To highlight the importance of accounting in modern business society.
- 2.To have financial and commercial success in business entity.
- 3.To specify the role of an accountant to fulfill the legal requirement of the enterprise.
- 4.Utilisation of information technology in order to create a flexible financial environment in society.
- 5.To highlight the role of an accountant to fight against economic crime and fraud.

METHODOLOGY:-

The article is based purely on secondary data. Most of the information has been collected from textbook, journals, business magazines,

economic and financial newspapers and website.

IMPORTANCE OF ACCOUNTING

It is necessary to make business and financial environment free from financial trouble and economic melt down. In order to achieve this importance of a well defined accounting procedure is felt necessary for the society. An uniform accounting system is necessary for both profitable and non-profitable organization of the society. Let us discuss the following importance of accounting.

A.BUSINESS ANALYSIS AND DECISION:-A sound accounting information system will be helpful for business analysis and responsibility of the accounting executives to provide both current and potential investment analysis on accounting information to the investors. So that the investors can know profitability, liquidity and efficiency of the business organization. This will help in decision making process of the organization.

B.RECORD KEEPING:-Accounting is one of the primary tool for record keeping. It is the duty and responsibility of the accountants of an organization. No economy can be sound without well maintained records and acted upon. Accounting information should be collected, organized, analyzed, interpreted and communicated to the users in order to arrive economic decision in the long

run. Both developed and developing countries utilize the accounting records maintained by the accountants in order to prepare monetary and financial policy of the government.

C.DISCOVER AND PREVENTION OF FRAUD:-It is felt that not only discover of fraud but also prevention of frauds can be efficiently made in an economy through accounting. It is possible with an environment where there is good internal control of accounting system. The accountants can keep the track of financial events which pave the way for an effective and efficient prevention of fraud in a society.

D.AVAILABILITY OF LOANS:-Accounting is the basic tool generally accepted by the bank and financial institution to provide loan to business organization. If the accountants fail to present the state of financial affairs in an acceptable format banks and financial institution cannot provide loan considering the risk in the organization. It is the duty of the accountants to prepare the financial affairs of the organization in an acceptable format in order to create confidence for financial institution to raise loans and advances.

E.CREATION OF GOOD WILL:-Establishing and operating a sound accounting system can only bring reputation and credit to the business organization. It ensures the organization is building reputation and goodwill. This can be well maintained by the accountants of the organization. All other aspects of business operation can be reflected with a well defined accounting procedure

FINANCIAL AND COMMERCIAL SUCCESS IN BUSINESS ENTERPRISE

So far as the success of business enterprise is concerned the duties and responsibilities of an accountant cannot be underestimated in modern society. It has been considered that the role of an accountant is not only to prepare the accountants of a business enterprise but also plays a vital role in success of that enterprise. The following are some of the major duties and responsibilities;-

A.BUSINESS ANALYSIS:-In modern society the accountants poses skill and knowledge of business analysis .This expertise help the management to take economic decision. The responsibility of business analysis enable an accountant to provide unbiased advice to the management by analyzing the strategic position of the business enterprise.

B.FORMULATION OF BUSINESS PLAN:-Accountants are finance professionals. Hence they know how to prepare a valuable and bankable business plan for the enterprise. Hence formulation of an appropriate business plan is the duty and responsibility of an accountant in modern society.

C.CONDUCT MARKET RESEARCH:-Now with more competition in market it has been felt that accountants are more suitable persons to carry out market research in order to solve consumer problems in the market. As an accountant has the skill of accounting ,finance and business aptitude is most suitable for successfully executing market research programme.

D.VALUATION OF BUSINESS:-Business valuation is the process of assigning quantitative and qualitative value of the assets of a business organization. Proper valuation of a business entity requires huge input regarding financial transactions. As accountants prepare financial statements of different assets of the organization the work of business valuation can be performed without any ambiguity.

E.MANAGEMENT OF FINANCE:-This is one of the major responsibility of an accountant in modern society. Maximization of wealth and profit maximization is one of the important function of a financial management system. As accountants advice the management by formulating a sound investment appraisal the management can invest in right direction in order to increase the wealth of the shareholders.

F.RISK MANAGEMENT:-It is the duty of an accountant to promote integrated risk management approach of the business organization. As the accountant provide tools and mechanism to manage both business and financial risk of an organization ,the process facilitate the risk management of the business enterprise.

ACCOUNTANTS FULFILL THE LEGAL REQUIREMENT OF THE ENTERPRISE.

Legal compliance is one of the important requirement for each and every modern organization. It is more complex in modern society to meet the legal requirements of the business. In this connection the role of an accountant is vital. The following are some of the duty and responsibility of an accountant towards fulfilling the legal requirements.

A.PREPARATION OF FINANCIAL STATEMENT:- It is mandatory for modern business organizations to produce different annual reports at the end of a financial year for legal compliance. Hence it becomes the duty of the accountants to prepare these financial statements in such a way that the management can produce those reports without any favor or fear before the legal authorities.

B.ASSIST IN LEGAL PROCEEDINGS:- Now a days it is the responsibility of forensic accountants to prepare financial information which can be utilized as an evidence in court of law. Whenever necessary the qualified forensic accountants can represent as a witness for legal complicity of the business organization.

C.ADVISE MANAGEMENT IN LEGAL ISSUES:-Modern business enterprise is regulated each and every day by the legal authorities. So it became a duty for the accountants who are well versed with legal matters advice the direction to be conversant with legal environment. The internal auditors of business organization Perform the role of an advisor to the managers of the organization in legal matters.

UTILISATION OF INFORMATION TECHNOLOGY FOR FLEXIBLE FINANCIAL ENVIORNMENT.

Information technology plays a significant role in modern society. The success of a commercial enterprise depends on its optimum utilization of information technology in organization level .Now the qualified accountants are no longer far behind than the information technology Professionals in the society. Rather the accountants play a dominant role in information technology sector in modern society. Some of the duty and responsibility of the accountants towards information technology of an organization are discussed below;-

A.DEPLOYMENT OF INFORMATION TECHNOLOGY INFRASTRUCTURE:-It has become a routine duty for the accountants to advice managers on the viability and suitability of establishment of an information technology infrastructure. As it is the responsibility of accountants to evaluate information technology projects in form of financial viability and in terms of investment appraisal. The accountant can Advice the management from financial and non-financial perspective.

B.IMPLEMENTATION OF COMPUTERISED ACCOUNTING SYSTEM:- In modern society digital practice plays an important role in every level of performance. Accordingly the accountants are specialized in digital accounting environment. Particularly the auditors use computerized software in order to provide sufficient accurate information so that the audit risk can be minimized .The role of an accountant is to implementation of a computerized accounting system for the organization.

C.FORMULATION OF AIS AND MIS:-Accounting information system [AIS] is more vital for an organization in order to get accurate information regarding different financial statements and books of accounts. Formulation of an appropriate management information system[MIS] ensures the organization to have a good governance procedure. Hence formulation of a good AIS and MIS is the duty and responsibility of an accountant in modern society.

ACCOUNTANTS ROLE IN FIGHTING AGAINST ECONOMIC CRIME AND FRAUD.

With the increase in number of business enterprise in modern society, the number of economic crime and fraud also increases proportionately. Now economic crime and fraud in the organization has become a common phenomenon. It is also felt that most of frauds are committed by the insiders of the organization.In modern day business society it is the accountants and financial professionals give a new challenge to effectively fight against economic crime and fraud. Due to good financial background and having an adequate knowledge and information about the financial transactions took place in the organizations accountants play an important role for the modern business enterprise.

Most of the accountants now act in various capacity by establishing good functional and internal control which is the key to prevent economic crime and fraud. Most of the accountants are performing their duties as auditors, consultants, advisors as well as accounting information system designers which help the business organizations to prevent fraud and financial crime. The different roles played by the accountants towards prevention of frauds are discussed below.

[A]ROLE OF AN AUDITOR:- In modern business organization the accountants are provided forensic training in order to enable them to fight against economic crime and fraud. Most of the accountants now play the role of an auditor with computerized forensic course with an intension to effectively fight against economic crime . Due to digitalization of accounting procedure it becomes easy on the part of an accountant to detect the occurrence of financial fraud. As most of the fraudulent activities are carried out through computer and internet the forensic qualified accountants can able to detect those frauds easily.

B.ROLE OF A CONSULTANT;-Consulting is a recent assignment of an accountant. As accountants are the financial professionals of the business process, their consultancy can be more effective. It has been felt that the presence of an accountant as consultant the fraudster get confused and nervous and sometime loose confidence to act further economic crime. Prevention of tax fraud can be effectively carried out by an accountant. Hence the role of an accountant as a consultant can serve a client effectively and the society can be a fraudulent free society.

C.ROLE OF BUSINESS ADVISOR:- Now most of the business enterprise require business advisors in order to have both functional and operational control over business.This can be achieved in a business enterprise when an accountant will be the business advisor .An accountant can analyze the financial position and performance by assessing and evaluating the risk of business

enterprise. In this competitive business environment the objective of the enterprise can be effectively achieve when an accountant perform the duty and responsibility of a business advisor.

D.ROLE OF AIS DESIGNER:- The traditional accountants has changed their role from record keeping to accounting information system[AIS] designer. Accurate and in time information can be available by the accountants regarding financial system because in each fraud and crime there is involvement of money. Being an accountant he can provide accurate monetary information to the management which can facilitate to control and minimize the economic fraud and crime in business enterprise.

CONCLUSION:-

After analyzing various aspects of duties and responsibilities of an accountant in modern society the following conclusions are derived.

[1] Accountants in modern society can able to make proper business decision by analyzing the financial position of the enterprise.

[2] Accountants can prepare an acceptable format so that the financial institutions can realize the risk of finance which enable the business enterprise to raise funds.

[3] It can be concluded that by establishing a sound accounting procedure the business enterprise can create good will in the society.

[4] Accountants now play the role of a market researcher in order to solve the problems of the consumers in society.

[5] Management of finance and risk management approach of an accountant help the business organization to achieve its objectives.

[6] Accountants can play an important role of legal assistance and advice the management in legal matters of the enterprise.

[7] Accountants play a major role in digitalization of accounting procedure. Formulation of an effective AIS and MIS policy can enable the business enterprise to adopt a good governance procedure.

[8] Prevention of economic fraud and financial crime is one of the major issue for the modern organizations. As accountant can play the role of an auditor, consultant, business advisor and AIS designer in order to prevent economic crisis and fraud.

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