

# Study on the Influence of Government Accounting System Reform on the Financial Management of Administrative Institutions

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**Abstract:** With the continuous improvement of the market economic system, the limitations of the original financial standards of public institutions and the inadaptability of the new situation changes, has been unable to meet the scientific, comprehensive and accurate reflection of the operation of administrative institutions, according to the existing situation and actual needs, the state issued a new "government accounting Standards". Through the financial work in the basic accounting, management methods, staff responsibilities and other aspects of reform, in order to improve the level of financial management. In this paper, the government accounting system reform as the background, a detailed analysis of the government accounting system after the reform of the influence factors and derived some problems, further put forward the new social development under the background of improving the financial management of administrative institutions strategies: improve the budget management system, establish and improve the budget assessment system; Upgrade the financial information system and improve the financial service level; Improve the internal control system, strengthen risk awareness and responsibility, for administrative institutions to better implement the government accounting system reform related policies and provisions, strengthen self-restraint and self-regulation, improve and strengthen internal management to create good conditions.

**Keywords:** Government Accounting System; Administrative Institutions; Financial Management; Impact of Reform

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## Introduction

With the change and rapid development of social and economic environment, the traditional government accounting system has deviated from the current financial development needs. Therefore, a set of more scientific, perfect, suitable for national economic development and national conditions of the new accounting system arises at the historic moment. However, in the early stage of the implementation of the new accounting system, the implementation and promotion of financial management work in various institutions will have greater obstacles. Therefore, it is urgent to study the impact of the reform of government accounting system on the financial management of administrative institutions.

## 1. The government accounting system reform, the impact of the financial management of administrative institutions

### 1.1 Strengthen financial accounting functions and expand the scope of financial accounting

In order to truly implement the "Government Accounting System", the accrual is still made as the basis of financial accounting, the focus is to strengthen the responsibility and ability of financial accounting, expand the breadth and depth of asset and liability accounting. One is to increase the accounting of the assets and costs of administrative institutions. Second, it is clear whether the estimated liabilities, deferred expenses and withholding expenses can accurately reflect the operation of the unit, especially the indirect expenses or management time of the research and development institutions. The third is to

improve the income accounting and expense accounting, so that the financial accounting elements more fully reflect the asset status of each unit.

## **1.2 Adjust the accounting function of budget, capital construction accounting into the main account**

The reform of the government accounting system has further supplemented and improved the functions of budget accounting, upgraded the budgetary accounting subjects and the specific accounting contents, and expanded the scope of the accounting of individual units in accordance with the current government accounting system, integrating it into the accounting of capital construction. On the one hand, in terms of accounting content, budget accounting takes the cash basis as the basis of financial treatment, and financial accounting takes accrual production as the basis of financial treatment. On the other hand, it is necessary to reflect new requirements in the scope of accounting, which is conducive to the management of the unit budget and final accounts, establish unified accounting standards, and provide basis for the integrity of the unit accounting information.

## **2. Problems still exist in the financial management of administrative institutions during the implementation of the reform of government accounting system**

### **2.1 The budget management mechanism is not perfect**

The constraining ability of the budget management of administrative institutions is seriously insufficient, so it is necessary to establish and improve the budget performance management and build a differentiated performance evaluation index system. The Ministry of Finance recently issued a document related to the government accounting system said that the accrual basis will be combined with the financial accounting function, and the cash basis will be combined with the budget accounting function, which has new requirements for the budget management of administrative institutions. However, the budget preparation of some units lacks binding force, resulting in the lack of coordination between budget preparation and actual work. In the process of budget execution, the use of budget accounts is inconsistent with the actual project text, so the budget execution is low and the funds are idle inevitably. In addition, the budget supervision mechanism is not perfect, lack of evaluation mechanism, administrative institutions budget management concept is difficult to achieve full participation, so that the budget management effect is not obvious.

### **2.2 The function of financial information system is not perfect**

The accounting information system still has the problem of function lag, the main reasons are as follows: first, the problem of shortage of funds still exists, and the funds needed to upgrade the hardware system have not been properly solved; Second, financial accounting and budget accounting parallel bookkeeping problems have not been implemented, the accounting elements are not complete, but also use the traditional way of accounting thinking accounting business, the work efficiency of the financial staff of public institutions and the quality of accounting information has a certain impact.

## **3. Improvement measures for the financial management of administrative institutions after the reform of government accounting system**

### **3.1 Improve the budget management system and establish a budget evaluation system**

Administrative institutions should further improve the overall budget management system, conscientiously do a good job of budget preparation and implementation. (1) We should strengthen the use and supervision of funds in the implementation of key projects, strictly implement various procedures for the use of funds, improve budget efficiency, and reduce the waste of financial funds. (2) To strengthen the internal audit work, once a year to carry out a special budget report audit, to ensure the standard and safety of the use of funds. (3) We should establish and improve the budget performance

evaluation system of administrative institutions, combine budget implementation with performance evaluation, and track and monitor the budget implementation process. After the implementation of the budget for in-depth analysis of the situation, according to the actual situation of the unit, the development of the budget evaluation and reward system and performance evaluation system suitable for the unit, guide the staff to pay attention to the performance of the unit and department, understand their efforts to create how much value for the unit, to what extent to improve the management level of the unit.

### **3.2 Upgrade the financial information system to improve the efficiency of financial work**

Administrative institutions should keep up with the pace of informatization, and establish financial information system as the center around the information-based financial management system for the development of public institutions. Construction work can be carried out from the following aspects: (1) When the financial software fails to meet the requirements of the connection between the old and new systems, the administrative institutions should upgrade the financial information system in time to meet the conditions of financial management in terms of hardware; (2) Administrative institutions shall establish an information platform for electronic bill inspection and reexamination, and standardize the reimbursement procedures of electronic invoices; (3) Administrative institutions should provide financial personnel with systematic, professional and deeper information system professional training, so as to continuously improve the service level of financial work.

### **3.3 Improve the internal control system and strengthen risk awareness and responsibility**

Administrative institutions should strengthen the sense of post responsibility, establish and improve the internal control system, strengthen the management of state-owned assets, strengthen the department budget management, reasonable preparation and arrangement of budget expenditure, so as to realize the standardization of management and the completion of procedures. Administrative institutions should sort out relevant rules and regulations, find out the shortcomings of the management process and key nodes, revise and improve the internal control system, focus on firmly implementing the separation system for incompatible posts, play an effective supervisory role, ensure the practical landing of financial work, ensure the fair and safe operation of funds, and strengthen risk prevention.

## **4. Concluding Remarks**

To a large extent, there are still some difficulties in comprehensively and rapidly promoting the implementation of the reform of the government accounting system, but the new accounting system has effectively brought the essential key role for the financial management of the administrative institutions. Eliminate a number of drawbacks of financial management existing in the original system, public institutions according to their own actual situation to integrate the advantages of the government accounting system, establish and improve the financial management system under the government accounting system, not only can accurately reflect the accounting information and assets of the unit, accelerate the upgrade of financial information system, and constantly improve the comprehensive quality of financial staff, Moreover, it can further enhance the financial service ability level of administrative institutions. Therefore, administrative institutions should continue to improve and supplement the relevant financial management system and upgrade the financial management system under the information technology, so as to make the harmonious and stable development of administrative institutions and truly serve the society.

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