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RESEARCH ON THE INFLUENCE OF CHINA'S ACCOUNTING SYSTEM REFORM ON UNIVERSITY FINANCIAL MANAGEMENT

The Ministry of Finance of China will implement the «Government Accounting System – Accounting Items and Statements for Administrative Institutions» from January 1, 2019. For colleges and universities, it will have a huge impact on the reform of the school to improve budget and financial management, implement performance management, and improve the quality of accounting information. Before the reform, the administrative institutions in various industries in China had an accounting system for each industry [1]. There were many types of accounting systems and different accounting methods, which directly weakened the comparison of accounting information, reduced the efficiency of the use of accounting information, and led to relative poor quality of the government financial reporting information. The current government accounting system standards are simple and extensive. They cannot guarantee the optimization of the government accounting environment and cannot meet the requirements of performance government construction under the new era and new situation. Therefore, the reform of the government accounting standards system must be carried out. By harmonizing the accounting system, we can solve the above problems.

There have been much more significant changes and innovations in the new systems than the old one. The capital construction accounting has been integrated. The government accounting model has changed [2]. The accounting systems of various units have been integrated. The financial accounting function of the unit has been strengthened. The accounting scope of assets and liabilities has been relatively expanded; and the functions related to budget accounting have been adjusted. The impact of accounting system reform on the financial management of colleges and universities has undergone major changes in terms of accounting model, accounting content, accounting scope, accounting methods, etc. The fundamental changes are:

1) Full introduction of accrual accounting system: The principle of «substantially greater than form» in enterprise accounting is introduced into the accounting of government and institutions, and many complicated statements such as cash flow statements were required;

2) The change of accounting system from single budget accounting to budget accounting and financial accounting;

3) Strengthening the government Public fiduciary responsibility and evaluating the use efficiency and performance of funds.

Then, the impact of the reformed accounting system on colleges and universities mainly includes:

1) The difficulty of budget management;

2) The increase in financial accounting requirements;

3) The increase in accounting information disclosure;

4) The implementation of capital budgeting is more challenging.

Conclusion:

1. Colleges and universities should establish a sound and reasonable budget management system.

2. Universities should promote the disclosure of accounting information in one-step.

3. Colleges and universities actively carry out business training and skill training for financial practitioners.

4. Colleges and universities should implement the preparatory work in advance of the deployment system.

References

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