

ORGANIZATION OF MANAGEMENT ACCOUNTING IN PUBLIC MEDICAL INSTITUTIONS

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ABSTRACT

The development of management accounting in public medical institutions in parallel with accounting is a requirement of the time. Currently, the development of the medical sector, the increase in the number of medical services provided to the population, in turn, leads to an expansion of the needs and requirements of the heads of institutions for information. Today, it is also important to determine the targeted use of budgetary and extra-budgetary funds by public medical institutions, to determine the effectiveness of the use of funds and to organize regular monitoring of information on their financial results. This article describes the need, stages and their description of the organization of management accounting in public medical institutions. The objective, tasks and ways of realization of elements of system of management accounting in the public medical institutions are scientifically explained and structure of the standard of the organization of management accounting is specified.

KEYWORDS: *Management Accounting, Accounting, Budgeting, Public Medical Institutions, Analysis, Accounting Policy, Reporting*

INTRODUCTION

Continuing the process of large-scale reforms and modernization in our country, in all processes of activity of medical institutions such requirements as reliability, timeliness, objectivity and accuracy of economic information are established. The current economic information should fully meet the needs of internal and external users and be formed with the least amount of labor and time. In addition, economic information should serve as a necessary basis for effective management decisions on budgeting, forecasting, cost accounting and on the proper organization of the cost of each type of medical services provided.

In developed economies, entities spend almost 90 percent of their working time in the field of accounting on the organization and maintenance of management accounting [4].

Due to the availability of budgetary and extra-budgetary funds in public medical institutions, it is impossible to form a single financial report, only a generalized report can be obtained. It is also possible to include a report on the implementation of expenditures of the institution on budgetary funds, receipts on extra-budgetary personal accounts, information on the efficiency of use of funds and financial results of the institution on budgetary and extra-budgetary funds.

There is a need to develop management accounting in parallel with accounting in existing public medical institutions. In a developed society, the needs and requirements of managers of medical institutions for information can not be fully met for the following reasons:

- The complexity of understanding the economic content of the items and forms of financial reporting and their interdependence;
- Retrospective features of accounting;
- The need to introduce and evaluate alternative actions (modeling and forecasting);
- The need to create data with different levels of generalization, depending on the level of management;
- The need to increase the importance of operational information, rather than to control the facts that have already taken place in the activities of the medical institution.

Internal management accounting is required for any public medical institution to be effective. In this regard, in the period of reforming the budget process, the problem of establishing management accounting in public medical institutions will become more acute. This, in turn, requires scientific research on the organization of management accounting in public medical institutions.

RESEARCH METHODOLOGY

Systematic analysis, analysis, synthesis, comparison, and a number of other research methods have been used, taking into account the specifics of the organization and maintenance of management accounting in public medical institutions and the rules of budget accounting.

LITERATURE REVIEW

Within the framework of the research topic, scientific researches conducted by local and foreign economists were studied. Foreign scientists R.Harrison, E.Norin and P.Brewer have conducted research on the theoretical problems of the organization of management accounting. The purpose, rules, tasks, functions of the organization of management accounting and the level of efficiency for the activities of the organization are specified [2].

In their research, M.A. Vakhrushina and N.V. Malinovskaya scientifically substantiated the need to introduce a system of management accounting in public medical institutions and recommended the development of standards for this. [5] The approval of such standards, which characterize the possibility of establishing management accounting in public medical institutions, will provide them with methodological assistance in solving this complex problem.

N.M.Parygina studied the problems of accounting for budget expenditures and estimating the cost of medical services, the development of a system of indicators for evaluating the effectiveness of medical services.[2] Here, the cost of each medical service and its effectiveness indicators are analyzed.

D.Vasichek and G.Royelar scientifically substantiated the low level of development of cost and management accounting methods in the Croatian public health sector, the convergence of external and internal financial reporting. [1] Taking into account the adequacy of the adoption of international accounting standards and accounting in the public sector, checks the adequacy of the modified system of accounting and financial reporting in the health sector.

In the research work of our scientists A.Kh. Paradaev and Z.A. Paradaeva, special attention is paid to the organization of management accounting at the level of modern requirements. [6] It is based on the principles of management accounting, modern methods of cost accounting, budgeting, transfer pricing, segment reporting, based on the requirements of international accounting standards.

Scientific works of BA Khasanov, AK Ibragimov and NK Rizaeva re devoted to modern areas of practical management accounting such as accounting policy in the field of practical management accounting, supply, production and commercial activities of management accounting, new technologies and innovations in the field of practical management accounting, calculation of production costs and product costs, analysis of production profitability, budgeting, etc. [4]. Management account methodology, technical and organizational aspects of the accounting policy are explained.

In the research work of B.Yu.Maksudov special attention is paid to the introduction of strategic management accounting, [7] the implementation process of strategic management accounting, the comparative description of tactical and strategic management accounting, and the conceptual framework of strategic management accounting are scientifically based. The tactical and strategic management account is also described in the comparative description for each criterion of comparison.

In the research work carried out by AA Ostonokulov, the basis and features of the formation and accounting of extra-budgetary funds of state-funded organizations are illustrated with specific examples. [8] Recommendations on the formation and improvement of extra-budgetary funds of budget organizations are given.

However, no research has been conducted in our country on the organization of management accounting in public medical institutions. In our opinion, the organization of management accounting in medical institutions financed from the state budget, taking into account the direction of activity, plays an important role in making management decisions based on reliable information by the management of the institution.

ANALYSIS AND RESULTS

The state is constantly looking for additional sources of funding for the socio-economic development of the country. Paid medical services provided to citizens by public medical institutions allow to expand the scope of these services and attract additional funds to finance their activities. Also, when making certain tactical and strategic management decisions related to the provision of paid medical services, managers of different levels of medical institutions feel the lack of information collected in the accounting system.

Modern management accounting systems are designed to provide managers of public medical institutions with information about the state of their business processes, the risks arising from the conditions of a market economy.

In our view, the purpose of management accounting in public medical institutions is to prepare specific data aimed at identifying promising areas of future activities, taking into account the competitive advantages of the institution and the development trends of the market environment.

At present, the formation of management accounting in public medical institutions is a necessary condition for increasing the efficiency of their activities. In our opinion, the following specific features of the public medical institution should be taken into account when organizing the management account:

- The existing management system of the medical institution;
- Availability of branches of the medical institution;
- Access to automated information systems (UzASBO);
- Interaction of the accounting service with other departments and other factors.

In our opinion, the organization of management accounting in public medical institutions should include the following stage (Figure 1).

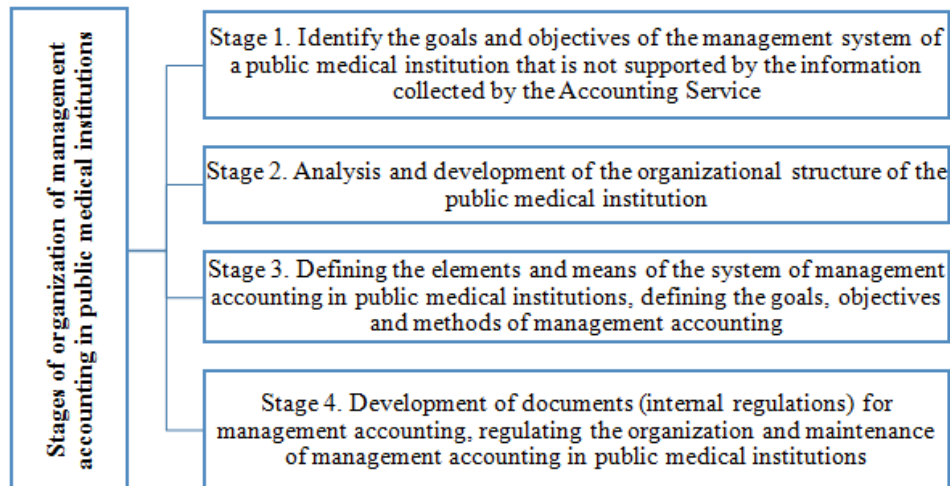


Figure 1: Stages of Organization of Management Accounting in Public Medical Institutions.

In the first stage, the creation of a team of senior representatives of management, planning, financial and analytical accounting services will be carried out. The main task of this team is to develop a methodological framework for the creation of a management accounting system as a means of ensuring strategic and operational management decisions in improving the quality of accounting services in a medical institution. We think that management decisions in medical institutions should be made on the basis of data analysis rather than intuition.

Making management decisions by analyzing data in medical institutions can help address a number of pending tasks. These include:

- Organization of medical services departments in medical institutions or optimization of their activities;
- Optimization of organizational structures of medical institutions;
- Search and justification of directions for the development of medical institutions, ie new types of medical activities, special types of medical services;
- Development of a new system of incentives for employees of medical institutions or improvement of the existing system.
- Determining the minimum and maximum volumes of medical services provided to the population by medical institutions.

Defining the priorities of the management system of public medical institutions allows to determine the information that needs to be prepared.

We believe that the **second stage** should include the development of the organizational structure of the public medical institution in terms of structural units and subdivisions, as well as the separation of centers of responsibility in medical institutions that must meet the following conditions:

- The presence of a responsible person (manager) in the center of responsibility;
- The head of the center of responsibility has a certain degree of freedom in making management decisions;
- Determine the list of indicators of control and financial incentives for the head and staff of the center of responsibility.

In the **third stage**, it is necessary to identify the elements and means of the system of management accounting in public medical institutions, to define the goals, objectives and methods of management accounting (Table 1).

Table 1: Goals and Objectives of Management Accounting in Public Medical Institutions

Elements of the Medical Institution Management Accounting System	Management Accounting Objectives	Management Accounting Functions
Establish cost accounts, and calculate the cost of services	Providing information to the heads of medical institutions	Organization of accounting of income and expenses of the institution, calculation of the cost of medical services provided by the institution, determination of the results of the institution and their effectiveness
Budgeting	Substantiate ways to achieve the goals of medical institution development in a market economy. Development of a system of key indicators of medical activity.	Improving the efficiency of the medical institution
Performance analysis	Prepare a database for making management decisions focused on the strategy of the medical institution	Determining the reserves and operational risks of the medical institution
Formulation of the content of the management report and implementation of management control over the activities of the institution	Comparison of actual performance with planned performance. Improving the system of key indicators of medical activity	Ensuring the reliability of accounting and reporting of medical institutions and the effectiveness of planning activities

Also, the method of cost accounting and calculation of the cost of medical services, the methodology of budgeting, the methodology for analyzing the results of the effectiveness and expediency of the management processes of public medical institutions will be studied and evaluated.

From the above, it can be said that the elements of the management accounting system depend on the characteristics of the activities of the public medical institution and its organizational structure. Each element of the management accounting system of a public medical institution has appropriate goals and objectives and identifies ways to achieve them (Table 2).

Table 2: Ways to Implement the Elements of the Management Accounting System of the State Medical Institution

Elements of the Management Accounting System of the Public Medical Institution	Ways to Implement
Cost accounting and calculation of the cost of medical services rendered	Estimation of costs by types of medical services provided, distribution of general operating costs. Compilation of internal reports, providing information to managers of all levels of the medical institution in different formats.
Activity budgeting	Creating budgets at different levels, choosing the option of strategic development of the medical institution, incentives for employees of the department responsible for finance..
Activity analysis	Evaluate the results achieved by the institution by calculating the analytical coefficients, identify reserves, develop the best options, summarize the results of the analysis
Internal reporting and performance monitoring	Coordinate the activities of the medical institution and identify changes and their causes

Давлат тиббиёт муассасаларида бошқарув ҳисоби тизимини ташкил этишнинг **тўртинчи босқичи**да маълумотларни тўплаш, қайта ишлаш ва тақдим этишнинг қоидалари ишлаб чиқилиши зарур деб ҳисоблаймиз. Бизнингча, бу қоидалар қуйидагилар:

тиббиёт муассасасининг фаолиятини таҳлил қилиш учун кўрсаткичлар асосланади;

бошқарув ҳисоби мақсадлари учун тиббиёт муассасаси ҳисоб сиёсати ишлаб чиқилади. Шунингдек, ҳисоб сиёсатида бухгалтерия ҳисоби, бюджетлаштириш, таҳлил ва назорат қилиш усуллари ҳам кенг ёритилади;

зарурат туғилса, тиббиёт муассасаси фаолиятининг алоҳида жараёнлари батафсил тавсифланади, ҳисоб регистрлари ишлаб чиқилади ҳамда барча ҳисобот шакллари танланади.

Taking into account the specific nature of public sector accounting, it is necessary to develop a management accounting standard, which includes methodological recommendations to help manage public medical institutions in order to provide methodological support for the organization of management accounting in public medical institutions. Using these standards, special data are prepared for the tactical and strategic management of public health facilities.

In our opinion, the project structure of the standard of management accounting in public medical institutions should have the following form and content (Table 3).

Table 3: Project Structure of the Management Accounting Standard in Public Medical Institutions

Department Name	Department Structure
Introduction	Entry rules for standard developers, date of document development and revision
Scope of the standard	Describe the goals and objectives of the standard, defining its content and structure. The composition of users from the standard of management account organization, taking into account the characteristics of the industry.
Terms and definitions	Basic concepts used in the standard and their definitions
Fundamentals of management accounting system organization	Principles, functions, composition of elements of the system of management accounting in public medical institutions and tasks to be solved within each element
Stages of organization of management accounting system	A description of the stages of establishing a system of management accounting in public medical institutions, a list of procedures and tasks to be addressed at each stage. Description of ways to implement management accounting functions, taking into account the characteristics of the activities of public medical institutions: separation of responsibility centers; development of a system of key indicators of the institution; calculation of the cost of medical services provided; budgeting; control. Description of the possibilities of automation of the management accounting system.
Directions for the development of management accounting systems	Analysis of the effectiveness and development trends of the management accounting system as the tasks to be solved by the management staff of public medical institutions become more complex.

Based on industry standards, each public health institution can develop an accounting policy for management accounting purposes. This serves as its internal regulation.

In the organization of the system of management accounting in public medical institutions, it is necessary to accurately and clearly set goals and objectives for each element of the system of management accounting. Only then will the goal of establishing a management account in a medical institution be achieved and operational efficiency will be ensured.

CONCLUSIONS AND SUGGESTIONS

The use of accounting information in the management of public medical institutions, accounting for the costs and prime cost of medical services in accordance with established standards, regular analysis of the activities of institutions cannot be considered satisfactory. It is a modern requirement to monitor the results of the internal reporting system of public medical institutions, departments and divisions of the institution every month or quarter of the reporting year.

In order to effectively operate public medical institutions in a market economy and the targeted use of budget and extra-budgetary funds, it is necessary to properly organize the management accounting system in the institution.

For this purpose, first of all, it is expedient to strictly follow the stages of organization of management accounting in public medical institutions. It also defines the purpose of the management system of the medical institution, the tasks to be performed.

Secondly, it is necessary to develop an accounting policy for management purposes, depending on the area of activity of public medical institutions. This accounting policy should detail the methods of accounting, analysis and control

that fully reflect the direction of the institution. It is also recommended that the accounting policies include accounting records and primary accounting documents that reflect operational information.

Third, it is recommended to develop a management accounting standard that incorporates methodological aspects of management accounting in public health facilities. The standard of management accounting will describe the stages of organization of the management accounting system in the public medical institution, the implementation of accounting tasks taking into account the characteristics of the institution and the automation of the accounting system.

Fourth, it is proposed to develop an internal charter of the institution that regulates the organization and maintenance of management accounting in public medical institutions. The regulation provides for the procedure for maintaining management records in medical institutions and the development of accounting documents.

Approval of a standard and internal regulation describing possible approaches to the organization of management accounting in public medical institutions will provide them with methodological assistance in solving this complex problem. As a result, the monitoring, analysis and effective management of activities in public medical institutions will be improved and the efficiency of the institution will increase.

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