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On Rural Financial and Accounting Work under the Background of Rapid Agricultural Economic Development

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Abstract Under the background of rapid agricultural economic development, rural financial and accounting work is of great significance. From rural accounting management system, rural accountant allocation and rural accounting training, this paper analyzes current situations of rural accounting work in China. In rural financial and accounting work, there are following problems. (1) Accounting behavior is not standard, and basic accounting work is to be further strengthened; (2) Internal control is not perfect and implementation of supervision mechanism is formalized; (3) Few people manipulate accounting behavior and accounting information is not transparent. In view of these problems, it puts forward countermeasures for improving rural accounting work: (1) establishing perfect agricultural accounting system; (2) regulating fund management order; (3) promoting computerized agricultural financial and accounting work; (4) improving professional and comprehensive quality of rural accountants.

Key words Agricultural economy, Financial and accounting work, Problems, Countermeasures

Rural accounting work is a basic link of agricultural economic development. Through specialized accounting data analysis, collection, processing and providing related township accounting information, rural accounting work plays a great role in supervision and accounting of agricultural economic activities, and then provides financial basis for improving supervision and management services of agricultural economy. In recent years, rural economy develops at high speed. Besides, economic reform makes efforts to integrate with international standards. This lays a solid foundation for establishing perfect public financial system, maintaining agricultural economic development, and raising rural financial and accounting level. Agricultural market economy has rules to follow, but market economy itself is fast changing, thus it needs macro-control and micro-control economic policies. With the aid of perfecting accurate accounting work, it can obtain precise financial data and far-sighted analysis of financial situations and understand strengths and weaknesses in township economic development, so as to put forward pertinent economic reform countermeasures. Thus, raising financial and accounting work level of agricultural economy is the prerequisite of stable, sustained and high speed development of agricultural economy^[1-2].

1 Current situations of rural accounting work

1.1 Rural accounting work management system At present, most regions of China have carried out village-level accounting agency service. Some counties start to adopt the management mode of "village account managed by towns" from 2001. After agency service organizations accept entrustment, administrative village will not arrange accountant and cashier, but only provide full-time or part-time person rendering account, and the fund will

be managed in a unified way by agency service organization in accordance with entrustment agreement voluntarily signed^[3]. Village-level accounting agency service organizations are mainly township economic management station and township financial bureau. Township economic management station and township financial bureau are provided with full-time personnel for financial work of villages in the town. In the management method, there are three forms: village account managed by towns, village account supervised by towns, and self management of village account. Financial affairs of most villages implement *Accounting System of Village Co-operative Economic Organizations (for Trial Implementation)* promulgated by the Ministry of Finance in 1996. Some towns implement *Accounting System of Village Collective Economic Organizations* which took effect on January 1st, 2005.

1.2 Basic information of rural accountants

1.2.1 Composition of personnel. Rural financial and accounting personnel mainly consist of accountants of township government departments (financial bureau and economic management station), accountants of township enterprises, accountants of village collective economic organizations and village-level personnel rendering account. Village-level accountants (personnel rendering account), served by village branch secretary, village director and special cadre for family planning or villagers selected in democratic manner, are mainly responsible for collection and arrangement of original documents of village-level revenue and expenditure, receipt and safekeeping of village-level reserve funds, and regularly rendering account for agency service organizations. However, at present, village cadres have numerous matters to handle. A cadre may be concurrently in charge of family planning, comprehensive administration, social insurance, canvassing for deposit, and village-level account rendering.

1.2.2 Professional level of accounting. Take Hunan Province as an example, according to survey conducted by Accounting Division

of Hunan Provincial Finance Department, professional level of accounting team of Hunan Province in 2009 is as shown in Fig. 1.

(1) Age structure. Age structure of rural accountants is slightly high: 23.5% are older than 50; 39.4% are 40–50 years old; 30.7% are 30–40 years old; only 6.4% are younger than 30.

(2) Educational level. Educational level of rural accounts is generally low: 30% remain at junior middle school level and below; 57.8% are at the level of senior middle school and special secondary school; only 12.5% are at the level of college and university.

(3) Qualification certificate holding situation. Among rural

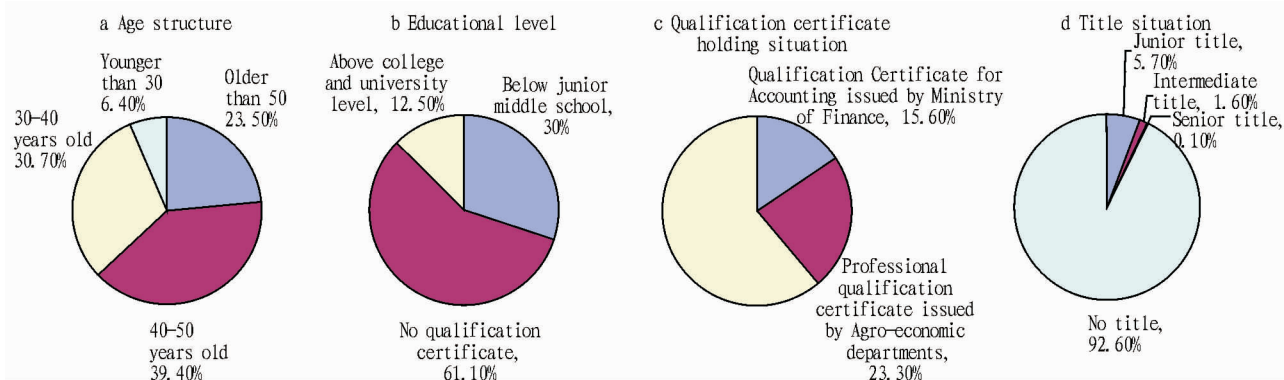


Fig. 1 Basic information of rural accountants

1.3 Training of rural accountants My survey indicates that rural accountants who have received pre-job training only take up 35.5%. Most training methods are short-term training launched by agro-economic departments, continuing education training and special short-term training carried out by financial departments. Some places adopt method of passing on experience or self study. To raise rural financial and accounting work level and satisfy demand for rapid development of agricultural economy, Changde City Finance Bureau of Hunan Province adopted free training and boarding fees from 2008, and launched training of all rural on-job accountants in rotation in three years. Training contents are mainly rural professional accounting knowledge. Changde City had 5 893 on-job rural accounts. In that year, it held 8 times of training class, trained a total of 828 financial and accounting personnel, receiving prominent effect and winning praise from rural accountants^[3].

2 Problems existing in current rural financial and accounting work

2.1 Accounting behavior is not standard and basic accounting work is to be further strengthened Since the implementation of village-level accounting agency service, it has improved the disorderly financial revenue and expenditure and nonstandard accounting situation influencing rural economic and social development, and the overall level of revenue and expenditure accounting also gets improved, but the situation is still not optimistic. Inherent limitations of rural economy lead to disorder of rural financial accounts in management. This is mainly manifested in unclear accounts, unclear agricultural revenue and expenditure items, un-

clear instructions on purchase and delivery between towns and villages, unclear township collective revenue, and unclear accounts between towns and villages.

clear instructions on purchase and delivery between towns and villages, unclear township collective revenue, and unclear accounts between towns and villages.

2.1.1 Arrangement of township account book is not accurate, and accounting process is not standard. Agricultural economic development has economic and environmental limitations more or less. As a result, rural accounting work has many congenital weaknesses. Some rural cooperatives are not comprehensive and careful in economic source and use instructions. Some accountants are not competent. In the process of account keeping, they fail to use correct accounting items, but simply take record of accounting data, leading to unclear accounting entry in the time of accounting statistics and unclear accounting economic items.

2.1.2 The review of accounting vouchers is not cautious and accounting documents are not used properly. In the process of economic transaction in many township organizations, many invoices are not indicated with handling person, or there is no indication of source and usage of documents; in the financial examination and approval, there is no signature and approval of professional person; in the process of financial revenue and expenditure, there is problem of not strict signature and approval. For example, when using accounting documents, some accounting documents are indicated with "Special receipt of XX County Professional Cooperative Economic Organization", some indicated with "Certificate of Receipt of XX Village Agricultural Cooperatives". Even, both non-standard receipts are used at the same time in economic activities. The expenditure also has similar problem.

2.1.3 Financial and accounting system is not definite, and quality of financial and accounting workers is to be improved. Table 1 lists allocation of accountants for XX Village in Shangqiu City of

accountants of Hunan Province, 15.6% hold the qualification certificate for accounting issued by Ministry of Finance, 23.3% hold qualification certificate for accounting issued by agro-economic departments, and 61.1% do not have qualification certificate.

(4) Title situation. Rural accounts having accounting title in Hunan Province only take up 7.4% (including 5.7% for junior title, 1.6% for intermediate title, and 0.1% for senior title), while 92.6% accountants do not have academic title. Most of those accountants having academic title work in township financial bureau and economic management station, and village-level person for rendering account basically has no academic title.

Henan Province. From Table 1, it can be seen that, educational level of accountants are generally low, and aging trend of accountants is increasingly serious. At present, Chinese agricultural economic develops at high speed, so rural accountant team should be strengthened. However, the actual situation is that township financial personnel is not perfectly allocated and receives no regular and systematic training, and there is no introduction of high educational level talents. In consequence, the quality of rural financial and accounting personnel is generally low.

Table 1 Allocation of accountants for XX Village in Shangqiu City of Henan Province

Item	Attribute	Number of people	Percent %
Age structure	Younger than 30	2	18.18
	30–40 years old	3	27.27
	40–50 years old	4	36.36
	Older than 50	2	18.18
Educational level	Below junior middle school	5	45.45
	Senior middle school	5	45.45
	Technical secondary school	1	9.09
	College and university and above	0	0
Title	No	5	45.45
	Accounting person	3	27.27
	Assistant accountant	2	18.18
	Accountant	1	9.09

2.2 Internal control is not perfect and implementation of supervision mechanism is formalized

Influenced by historic custom and traditional accounting concepts, village collective economic organizations often implement extensive management. Most village cadres follow popular historic convention, and seldom regulate and retrain accounting management through establishing and perfecting corresponding regulations and rules. Internal control of rural financial affairs is extremely imperfect. After implementing township managing village financial affairs, to solve disorder of rural financial revenue and expenditure management fundamentally and reach expected economic and social effect, many internal control problems should be tackled immediately. There are following typical problems. How village-level accounting agency organizations and villager committee restrict and supervise each other? How to charge accounts of "one case one meeting" fund, contract issuing, handing over income and other revenues and to take practical management? How to make regular check and clear an account of physical assets beyond monetary fund? How to timely feed back and report financial information to villager committee? How to audit the internal control system that is not perfect, such as annual final accounting, new term election, and capital works? Although internal management system has been established in accordance with requirements of relevant departments, due to influence of factors of inherent thinking set and village origin complex, these organizations are still not perfect in their internal control situations, and the supervision mechanism is also formalized. In all, due to imperfect internal control and lack of effective supervision mechanism, village collective economic organizations and affiliated units have congenitally weak error preventive and corrective functions^[4].

2.3 Few people manipulate accounting behavior and accounting information is not transparent

For the nonce, most

village collective economic organizations implement village-level accounting agency, the affiliated units implement independent accounting based on contractual operation. However, the field survey indicates that the situation of accounting management is not optimistic and fails to reach expected effect. Township managing village financial affairs only changes accounting of each village from separate accounting of each village to township centralized accounting in form. Nevertheless, financial activities and routine financial management of each village is still in the charge of each village. When conducting centralized accounting, there are still no practical and feasible measures to regulate village-level financial management and effectively reduce self-interest actions of village cadres. Because internal administration structure of villages is not perfect, village Party branch and villager committee (hereafter referred to as two committees) colludes with each other, money managing team performs practically no function, major members of two committees monopolize decision-making and economic power of the village; asymmetric information and incomplete financial disclosure system provide convenience for few village cadres, finally leading to distortion of accounting information and lack of transparency, and providing ground for breeding self-interest actions and corruptions of village cadres, and posing serious threat to rural democratic political power construction^[4].

3 Countermeasures for raising accounting work level in high efficient rural economic development

3.1 Establishing perfect agricultural accounting system

It is required to regulate management mode of special fund, to arrange special person to manage special fund. Besides, it should strengthen regulating construction of financial revenue and expenditure and ensure farmers' right of being in know and power to supervise, to provide conditions for rapid development of agricultural economy. In addition, it should carry out centralized management of cash and financial accounts through taking *Accounting System of Village Cooperative Economic Organizations and Accounting System of Village Collective Economic Organizations* as the most basic theoretic basis of accounting, in view of current situations of financial disorder, and establish binding financial management mechanism, to regulate and bind financial affair examination and approval, account rendering, management of accountants, and approval of township cadres leaving office.

3.2 Regulating fund management order

Accountants should keep record of accounts regularly, disclose financial affairs in time, and ensure accuracy of annual final financial audit. Accounting documents are important in accounting work. They are records of economic activities of township units. Accounting vouchers are essential accounting evidence for accounting personnel in handling accounting matters. With accounting vouchers, it is able to correctly record details of economic activities of economic entities, to make economic summary, conduct overall evaluation of economic market, and make preparation for high speed development of agricultural economy^[5]. Therefore, it is proposed to improve management and safe keeping of township and village accounting data for future reference. Money managing departments should submit accounting data to highest executor for financial review.

3.3 Promoting computerized agricultural accounting Currently, many rural grass-roots units still adopt manual accounting, and do not have standardized general account, detailed account and reserve account book. Besides, methods of keeping accounts are not uniform. Some agricultural accountants even arbitrarily set accounting items, leading to inaccurate accounting data and inconsistent account. In this situation, it should promote widespread implementation of computerized accounting in rural areas, and up-root traditional accounting, manual account keeping, declaration of accounting statement and handwritten accounting data. As financial management personnel in agricultural economic development, leaders should actively promote wide implementation of computerized accounting, organize accounting personnel to learn courses of computerized accounting, and put township leaders in place, relevant systems and measures in place, and accounting personnel in place, to strictly guarantee standardized accounting. For accounting vouchers, items and documents, it is required to take uniform management, and review monthly statements of accounting in strict accordance with requirements for management of township statements of accounting.

3.4 Improving professional and comprehensive quality of rural accountants As major person responsible for accounting work, accountant's knowledge and work quality are most direct reflection of accounting work^[6]. In the process of agricultural economic development, financial and accounting management is essential and highly operational work. Only through stabilizing financial and accounting team and improving quality of accounting personnel, can we better develop agricultural economy. It is required to take strict procedure for appointment and removal of financial and accounting personnel. Financial and accounting personnel must hold respective accounting certificate before going on duty. After taking office, they shall make clear accounting sys-

tem, know their rights and duties; township government should regularly organize rural accountants to provide reeducation of rural accountants, and keep pace with times, to constantly raise professional level^[7]. Accounting work integrates management and accounting, so it is required to combine regulations and rules in economic management and accounting, make accountants perform their own duties and cooperate with each other, scientifically set up accounting posts, detail responsibilities of accounting work, make clear extent of power of accounting post, and put an end to shirking action, to promote coordinated development of accounting work and make accounting preparation for strengthening agricultural economic management.

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key and overall role in national agricultural development, and also make great contributions to national food and seed industry security. HNBM bases are scientific and technological parks without boundaries, and also the largest and the most influential open agricultural sci-tech pilot zone, and are called "Agricultural Science City of China" by Yuan Longping. Immature strategic development environment and poor embeddability is the key bottleneck in the development of HNBM. All parties have to cooperate with each other closely, grasp the opportunities brought by the construction of Hainan International Tourism Island and State No. 8 Document (2011), so as to promote the further development of HNBM, and its transfer to industrial cluster. Considering current development of HNBM, functional orientation of HNBM should be further studied, value analysis instrument established, such as evaluation tool of HNBM contribution rate, to facilitate statistic evaluation of HNBM, attract more attention from government and make corresponding laws and policies. In addition, existing resources should be integrated and optimized, spatial layout and industrial guidance made properly, scientific research, talent and capital resources attracted, industrial value of key functions expanded, more efforts devoted to support HNBM

scientific agencies and seed companies, concrete measures for HNBM development studied and given. And even national HNBM planning should be made to instruct its scientific and sustainable development.

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