

Accounting information system free argumentative essay



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An accounting information system provides accurate and timely financial information for internal management purposes.

While these systems can include paper manuals and ledgers, most systems in today's business environment are built upon accounting software programs or applications. These systems provide financial or operational reports for business owners to make decisions. An accounting information system can also integrate and fulfill departmental and company-wide objectives. Read more: http://www.ehow.com/list_6818819_objectives-accounting-information-systems.

html#ixzz2a3RaM6gG Central Information Collection * Accounting information systems collect information for various purposes in a business. Large organizations often use this system to gather and organize financial and other information from multiple business departments or divisions. An accounting system can also benefit organizations with several national or international locations. This system allows for the electronic transference of information from many sources into a central location where accountants gather and process this data. Some systems can also gather information in a real-time format.

Checks and Balances* Accounting managers and supervisors use an accounting information system to separate tasks and ensure controls are in place for different accounting functions. Accounts payable, accounts receivable, payroll, departmental financial data, fixed assets and purchasing each work under separate modules in an advanced accounting system and demand individual handling processes and procedures. Each of these

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individual modules feed summarized data into the general ledger but allow for system checks and balances along the way. Reports can be generated from individual modules to ensure accuracy of data before being passed on to a company's general ledger.

*Improving the Flow of Work * Improving the flow of work in individual departments often gets a boost by the implementation of an accounting information system. Departments outside of accounting must understand how critical information is processed through the company's internal financial information system for a variety of reasons. Source documents—such as invoices, purchase orders, employee expense reports, time cards for payroll input, bills and asset acquisition forms—must all find their way from the originator to the accounting department. Depending upon the software, the accounting system requires a variety of information for different parts of the process be manually input into the system. This often determines the work flow of other departments in regards to processing financial data.

Procedures and processes that clearly delineate the needed information, the steps to process that information and the approval process, aid in reducing redundant work and ensure that the accounting department has the necessary approvals to process financial data.