Axis 4: Key elements of the accounting information system

In order to successfully achieve its objectives and functions, the accounting information system requires a set of essentials to assist in doing so, and the components of the accounting information system include:

1/**Documentation**: The documents are the objective guide and the primary source of proof of transactions in the economic unit registry. The documents are divided by origin into:

a. Internal documents: that create the unit ' s income, meaning that they are designed internally for use within or outside the unit, such as authorization for the disbursement of materials and supplies for warehouse management, payroll, wages or sales invoices and cash receipts to the bank.

b. External documents: to the Unit are those from external sources such as suppliers, banks, agents and government bodies. As long as this type of document is received by the Unit from one unit or another, the economic unit receiving such documents has no bearing on the design of the document.

It should be noted that the documents are circulated through a specific cycle, which is a shelf of the documentary cycle and represents the course of the document from the time it was prepared or received by the unit until the document or its image is preserved. It should be noted that the documentary cycle of any process can be illustrated by what is known as the flow maps of dependencies, which are considered to be the way in which the written flow of documents is represented in a given process.

2/ **Accounting books and records**: Accounting books and records are considered to be the repository used to process the data contained in the documents, where accounting exercises are performed from proofs, carry-overs, presentation and summaries, as well as accounting processes such as collection, subtraction and balance. The books and records are generally divided into:

a. Journal collection: whether it is a public journal or analytical and subsidiary journals in accordance with the method used (Italian/French/English/United States).

b. The collection of ledgers: whether general or subsidiary, also according to the accounting method used, is evidenced by photographs of documents or direct removal from other journals or books.

c. Set of other records: the economic unit may use a set of other analytical and statistical records to demonstrate all additional data deemed necessary for the study, comparison and analysis of the results of the unit, thereby helping to solve administrative and other problems. These records differ from one unit to another by purpose and nature of the activity.

3. **Manual of Accounts**: The Manual of Accounts is a detailed list of all aggregate and sub-accounts from their compilation and coding in a scientific manner appropriate to the nature of the economic unit and the nature of its activity. In other words, the Accounts Manual serves as a special list of all unit accounts in groups consistent with the type of activity and size of the unit. The preparation of the Accounts Manual goes through several steps, which we summarize as follows:

a. Inventory and identification of all accounts pertaining to the unit in preparation of the Accounts Manual.

b. Classification and tabulation of accounts in homogeneous groups, where the accounts can be broken down according to their association with the financial lists to: accounts appearing on the business outcome list: they can be divided into income and expenditure accounts. Accounts that appear on the financial position list: these can be divided into asset and liability accounts.

c. Coding or numbering of accounts: The coding means that certain symbols (numbers, letters, or combinations) are given to the accounts so as to facilitate the identification of the account name and group. This is considered to be a very useful tool in the operation of the computational data, and the importance of the coding of the accounting information system (AIS) is, therefore, to the extent that it is important for the system of accounting information (AIS).

- Facilitates coding from the collection, recording and migration of accounting data.
- Coding from data and information retrieval is facilitated, especially with the use of the computer for the purpose of preparing lists and financial reports produced by the accounting information system for external use
- The encoding helps store data and information in files and equipment, greatly reduces the space required for storage, and maintains the time of automation.
- The designer of the accounting system should select the appropriate coding method that is consistent with the objectives of the system and the nature of the economic unit, with the coding system appropriate for both the quantity and type of data and the needs of users of the information and the operation of the data. In addition, there is sufficient flexibility in order to expand the coding system for all current and future items without the need for recoding.

4/**Reports**: The reports are the cornerstone of the monitoring and performance appraisal processes as well as decision-making that makes it necessary to fit those management level reports submitted to it as well as those submitted to it outside the Unit. It has already been pointed out that the reports are the final output of the accounting system and therefore, in the light of the effectiveness of the reports, the extent to which the accounting system has been relied upon and its objectives achieved. Given the multiplicity of users of reports, both within and outside the Unit, this has increased the need for accounting reports as a means of informing and disclosing the Unit ' s activity to all who are interested in it. The reports are also a tool that contributes to the rationalization of the Unit ' s management ' s key planning, oversight and decision-making functions. Therefore, any design of a proper format should begin with the first examination of the reports requested and then identify the best means of accessing them.

. 5/ **Technical valutions use**: This element is if the accounting system is absent and has been targeted by manual methods, and if the accounting system includes automated and electronic means, the accounting system has been more efficiently and effectively pursued, with the speed and accuracy that can be achieved when using these tools, the most appropriate of which must be selected for the unit.