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Development of Accounting System to Enhance Economic Strength for Women of Processing Fermented Fish Group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province

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ABSTRACT

This research aimed to develop an accounting system to enhance economic strength for women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province. The population of the participatory action research was 25 women from processing fermented fish group at Ban Dong Tat Thong. The instruments used in this research were questionnaires, interview form, observation form and SWOT analysis. The statistics used for data analysis were mean, frequency distribution and percentage. The findings revealed that the accounting system used by the women of processing fermented fish group at Ban Dong Tat Thong was a simple one. In addition, the document storage was without sorting accounting list by transaction category. The accounting process was not operated systematically as Generally Accepted Accounting Principles (GAAP). Regarding research process, there was a development of standardized accounting system divided into 4 systems: materials and production equipment, (3) Distributing raw materials and production equipment and (4) Selling and receiving cash payment.

1. Introduction

According to the 20-year National Strategic Framework of the 12th National Economic and Social Development Plan (2017-2021), it is a long-term strategy transferring into an action in a range of five years. The main target of this

National Economic and Social Development Plan is to enhance a middle-income country to a high-income country focusing on developing human potential to support the growth of the country, reducing inequality in society, creating social growth and environmentally friendly economic and effective public administration. It is a plan that introduces and applies the philosophy of sufficiency economy holding people in the center of participatory development. This development is based on the principles of balance and sustainability with the continuous research and development by supporting research and development funding from government for both the public and private sectors. It supports agricultural production based on local conditions, develops and strengthens knowledge in various science and technology that are suitable for agriculture of the country. In addition, it supports the use of environmentally friendly production technology, promotes the creation of added value to agricultural products throughout the production chain, supports the production and services of the community to create added value for agricultural products of food and energy. Moreover, it encourages educational institutions in the area to jointly conduct research studies with the private sectors in order to support agriculturists and entrepreneurs on applying knowledge of innovation and environmentally friendly production technology for added value creation in agricultural products to enhance safety quality standards level to be equal to the international standards level. [4] (The 12th National Economic and Social Development Plan (2017-2021))

A part of the success key of this policy is “Economic development of the community”, which is related to livelihoods. The promotion of livelihoods improving the quality of life and environment of local community as a base of country development based on the National Economic and Social Development Plan results in people’s gathering. This is to raise the group and also its products into One Tambon One Product (OTOP).

Ban Dong Tat Thong is a village in Phosri Sub-district, Prang Ku District, Sisaket Province. Their main occupation is agriculturist, farmer and orchardist by earning their main income from selling agricultural products such as rice, fruit, pig, chicken, cattle and fish living in natural water sources. When the harvest season is over, most of the housewives and elderly people gather to do processing fermented fish as an additional income for their families. The production of fermented fish is a type of food preservation that has inherited from ancestors in order to use in household cooking or as a souvenir for relatives as well as selling in the neighborhood. Due to the lack of knowledge on management of the occupational group members who are housewives and elderly people, it causes the group to experience problems in group management, especially the accounting issue, which results in operation continuity.

The effective accounting system is important in managing in all levels of organization because it is a systemic recording process of the numerical information in each activity performed within the organization. It uses to report the financial status and performance of the business. The success of the business depends on the management and the decisions of the executives based

on accounting information. In addition, accounting information can be used to make rational decision and consideration on business options as well as planning and controlling operation efficiently.

As per the mentioned reasons, the researcher realizes the problem and applies knowledge to develop community operation to help support occupational group activity in order to generate income for people in the community as well as developing a suitable accounting system for the occupational group in the community through a participatory action research process by educating and developing work during the research process which will lead to sustainable development and growth of the occupational group as well as better quality of life of the people in the group.

Objective

To propose guidelines to develop an accounting system for community business to enhance economic strength for women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province.

Materials and methods

This qualitative research used participatory action research process. The population used in the research was 25 members of the occupational group of the community enterprise, women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province.

Instrumentation

The research instruments consisted of a semi structure in-depth interview form, questionnaire, observation form and a summary of the contents from the accounting system training.

Data Collection

The researcher collected the data divided into 3 phases as follows:

Phase 1: Basic data collection of occupational group, women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province, by using in-depth interview form with the chairman of the occupational group and personal information questionnaire with the group members

Phase 2: SWOT analysis of organization condition on the external and internal environments of occupational group, women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province, by arranging a meeting for occupational group members and conducting individual interviews

Phase 3: Development and design of accounting system based on the researcher's study on accounting system of occupational group, women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province, by conducting workshop training on the preparation of accounting for occupational group accounts as per financial reporting standards which was suitable for the operation of the occupational group

Data Analysis

The quantitative data analysis was based on from the personal data survey using descriptive statistic consisted of frequency distribution and percentage

including qualitative data analysis based on in-depth interviews from workshop training using content analysis and SWOT analysis.

Results



The data was analyzed as follows:



Regarding the personal information of 25 women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province or 100.00 percent, it was found that 18 of them were 51 years of age and over or 72.00 percent, followed by 5 people in the range of 41-50 years of age or 20.00. The 13 people graduated in the elementary school level or 52.00 percent, followed 10 people graduated in the secondary school level or 40.00 percent and 2 people graduated in at the bachelor degree level or 8.00 percent. The survey of knowledge about accounting system reveled that 3 members of the occupational group, women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province, had knowledge in accounting or 12.00 percent.

Regarding the information on the operation of occupational group, women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province, it was is an occupational group with continuous operation producing products all year since processing fermented fish was an occupation that inherited from ancestors and had to be preserved. In addition, the demand from the market was continuous. The processing fish was produced for household consumption including selling in the neighborhood which was able to generate extra income to the community. Also, it used as a souvenir for relatives or visitors. The occupational group was established by registering the community enterprise with the Sisaket Provincial Community Development Office. Their performance was mostly on production using direct material, i.e. fish from rivers in local community.

Regarding SWOT analysis of occupational group, women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province, it was presented in Figure 1.

Figure 1: SWOT Analysis

	<ol style="list-style-type: none"> 1. Skill in processing fish and local wisdom in the production of occupational group members, women of processing fermented fish group at Ban Dong Tat Thong 2. Good cooperation 		<ol style="list-style-type: none"> 1. Lack of management experience of the group chairman 2. Lack of accounting personnel 3. Lack of production planning 4. Lack of funds / funding sources with low interest rates
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<p>in conducting group activity of occupational group members, women of processing fermented fish group at Ban Dong Tat Thong</p> <p>3. Outstanding and unique product to the community and attracted good taste to the consumers in the province and nearby area</p> <p>4. Affordable price</p> <p>5. Product storage in hygienic container</p>	<p>5. Lack of machinery / tools in production as per primary of Good Manufacturing Practice (Primary GMP)</p>
 <p>1. Local community product support based on government policy</p> <p>2. Frequent product presentation at the national exhibition</p>	 <p>1. Lack of labor in production during farming season</p> <p>2. Lack of raw materials used for production as per the market demand due to the change of ecosystem</p>

Regarding the accounting system and accounting documents used in traditional accounting records of occupational group, women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province, the interviews of the 3 accountants of the occupational group revealed that the occupational group spent their free time to earn extra income for the family. Therefore, the accounting process was simple as recording income, expenditure and profit sharing by taking note in a book. The document was storage in a simple and easy way without any classification on account category. There was no systematic process as per the Generally Accepted Accounting Principles (GAAP). Most of the occupational group members were agriculturists with the lack of knowledge and understanding in accurate and appropriate accounting system and supporting documents.

Referring to the above study, the researcher analyzed the existing accounting system of occupational group, women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province, it consisted of 3 systems: (1) Receiving funding from supporting agencies, (2) Purchasing raw

materials and production equipment and (3) Selling and receiving cash payment.

The researcher synthesized the data in order to develop of the accounting system of the occupational group, women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province, which had developed to be suitable and completed the operation of the occupational group as per the Generally Accepted Accounting Principles (GAAP) divided into 4 systems: (1) Receiving funding from supporting agency, (2) Purchasing raw materials and production equipment, (3) Distributing of raw materials and production equipment and (4) Selling and receiving cash payment. From the developed system, it displayed as a document flowchart by assigning symbols to show the path as presented in Figure 2.

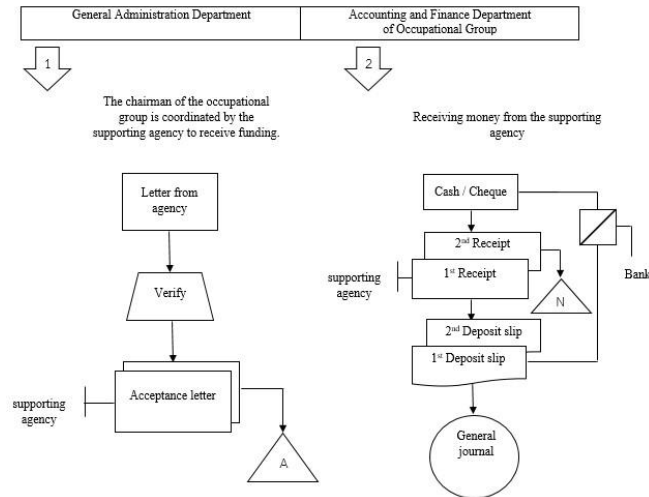
Figure 2: Symbols describing flowchart of documents and tasks

1. Beginning	↓
2. Document path	→
3. Document	□
4. Processing by people	▽
5. Archived file	△
6. Temporary file	▽
7. Ending	—
8. Making decision / Choice	◇
9. Account book	○
10. Access point	□
11. Raw material / product	◀ ▶
12. Attachment	▣
13. Sort by date D Sort by number N	
14. Verify	↔

System 1: Receiving funding from agency, such as Phosri Sub-district Administrative Organization and Sisaket Provincial Community Development Office, etc. The chairman of the occupational group submits the project of the occupational group to the supporting agency. After the supporting agency accepts to consider the funding, an acceptance letter will be sent to the occupational group. Then, the chairman will issue 2 copies of the acceptance letter once it is acknowledged: the 1st letter will be sent back to the funding agency and the 2nd letter will be archived in the folder, respectively. After that, the chairman will inform the officer of the Accounting and Finance Department of the occupational group to contact the agency about receiving funding. After receiving funding, the Accounting and Finance Department of the occupational group will issue 2 copies of receipts (document 1): the 1st receipt will be sent to the funding agency and the 2nd receipt will be kept in archived file sorted by

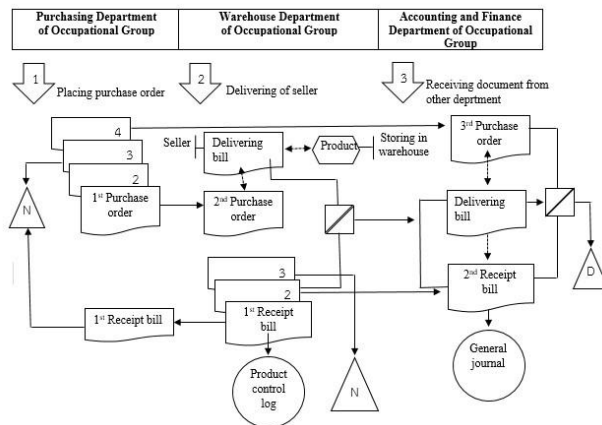
number. Later, Accounting and Finance Department officer will bank cash or cheque with 2 copies of bank deposit slip: the 1st slip will be submitted to the bank with cash or cheque and the 2nd slip will be used as an evidence to record in a general journal. The flowchart of the documents is shown in Figure 3.

Figure 3: System of receiving funding from supporting agency



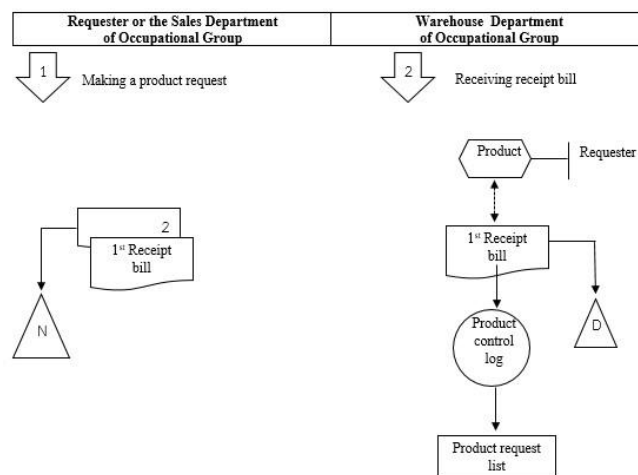
System 2: Purchasing raw materials and production equipment. When the occupational group purchases raw materials or production equipment, the Purchasing Department will issue 4 copies of purchase order bills: the 1st bill will be sent to the seller, the 2nd bill will be sent to the Warehouse Department as an evidence of receiving goods from the seller, the 3rd bill will be sent to the Accounting and Finance Department as an evidence in the accounting records and the 4th bill will be kept archived file sorted by number as evidence at the Purchasing Department. The warehouse department will check the raw material or production equipment, delivery order and purchase order received from Purchasing Department, when the seller delivers raw materials or production equipment. After, it is verified correct, the officer will sign in raw materials or production equipment bill according to purchase order, then the Warehouse Department and will issue 3 product receipt bills to keep in archived file sorted by number as evidence at the Purchasing Department. Then the Warehouse Department stores raw materials or production equipment into the warehouse and prepare product control log. Later, the Accounting and Finance Department will receive the 3rd bill from Purchasing Department and the 2nd bill from the Warehouse Department. All documents will be verified and used as evidence to record in general journal. Then, all documents will be kept in archived file sorted by date. The flowchart of the documents is shown in Figure 4.

Figure 4: System of purchasing raw materials and production equipment



System 3: Distributing raw materials and production equipment. The occupational group will distribute raw materials and production equipment to use in processing fermented fish or distribute finished product for selling. The requester or the Sales Department will issue 2 copies of the product request bills: the 1st bill will be sent to the Warehouse Department to use as evidence for requesting the product and the 2nd bill will be kept at the requester or the Sales Department as evidence. When the Warehouse Department receives the product request bill, the officer will check the inventory and distribute product as request bill signed by the authorized person. Later, the product request bill will be used as evidence to record in the product control log and prepare a distribution bill and keep in archived file sorted by date. The flowchart of the documents is shown in Figure 5.

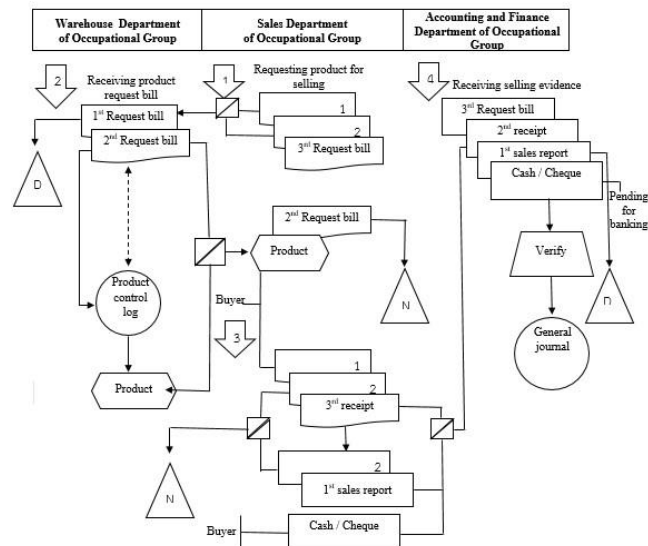
Figure 5: System of distributing raw materials and production equipment



System 4: Selling and receiving cash payment. When the Sales Department need product for selling, the officer will issue 3 copies of the product request bills: The 1st and 2nd bills will be sent to the Warehouse Department as evidence for product request and the 3rd bill will be kept in archived file sorted

by number. When the Warehouse Department receives the 1st and 2nd of product request bills, the officer will verify with the product control log and distribute product to the Sales Department by sending the 2nd product request bill to the Sales Department and then record in the product control log and keep the 1st bill in archived file sorted by date. When the Sales Department receives the product and the 2nd bill, the officer will check the correctness with the 3rd bill and keep the form in archived file sorted by date. Later, when the product is sold, the Sales Department will issue 3 copies of receipts: the 1st receipt will be along with the product sent to the buyer as evidence of payment, the 2nd receipt is for preparing sales report and will be kept in archived file sorted by number and the 3rd receipt will be sent to the Accounting and Finance Department together with cash, the 1st sales report and the 2nd product request bill for the Accounting and Finance Department to keep as evidence to record in general journal. After the Accounting and Finance Department receives the 3rd receipt, the 1st sales report, the 2nd product request bill and cash or cheque, the officer will verify and record in general journal. Finally, the 3rd receipt, the 2nd product request bill and the 1st sales report will be kept in archive file sorted by date. Furthermore, the cash or cheque will be banked. The flowchart of the documents is shown in Figure 6.

Figure 6: System of selling and receiving cash payment



The improvement on accounting records system and preparing financial statements of occupational group, women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province. It is a small occupational group of housewives who have free time from farming. They have to do performance report for the occupational group members. There are only few numbers of accounting report occurred each month and is repeated. In order to make it accurate during the process of workshop training together with the speaker. The researcher has therefore improved the accounting records

system to be appropriate and consistent with the activities of the occupational group by using the general journal. The periodic inventory method is used to record the transactions. Also, they should provide a balance sheet and a single-step income statement in order to report the performance each year.

Discussion

Referring to the occupational group, women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province, most members of the occupational group still lacked the knowledge and understanding of accounting system and good documentation for accounting records. They did not have knowledge or experience in accounting process. Their accounting process was simple as recording income, expenditure and profit sharing by taking note in a book. The document was storage in a simple and easy way without any classification on account category. There was no systematic process as per the Generally Accepted Accounting Principles (GAAP). The accounting system and documentation of accounting records were not completely accurate. This conformed with [1] Juthamat Soonthorn, et. al. (2014, pp. 80-85), who studied local accounting knowledge management of One Tambon One Product (OTOP) meat transmutation membership of Tambon Najarn, Amper Muang, Kalasin province. They found that the Ban Na Chan group of processing meat members performed a simple accounting by recording income and expenditure in the book to prepare report for the government agency without any cost of purchased material. They used it for making decision in other issue. The accountant issued receipts for every income. The documents were stored separately with other documents belonging to the group. The internal control, audit system and accounting records were performed by the treasurer. The functions of the Finance and Accounting Department were not separated. The group members did not acknowledge any direct benefit to them, so the group should pay more attention on knowledge management in accounting by transferring knowledge to other members. In addition, the government agency should provide officials to educate the group to have knowledge in accounting and the importance of accounting for making decision. Moreover, it conformed with [5] Watinee Srimaha, (2015, pp. 20-31) who studied the development of participatory book-keeping of village funds in Tharae Sub-district, Sakon Nakhon Province, she found that problems and obstacles in the accounting of village funds as follows: 1) There were no documents as evidences for book-keeping, or there were some but inadequate. In addition, there were some difficulties in preparing book-keeping forms and an account book. 2) The farmers dared not to write down the actual information due to the fear of making mistake. This led to the double book-keeping or else the forgetting of doing book-keeping. 3) Account books were recorded according to convenience and understanding of cash basis or the records were done only by cash payment. 4) Records were delayed and out-of-date, therefore, the information was not up-to-date and did not help to make a decision to manage the funds. 5) There was no follow-up process or inspection on bad debts and doubtful accounts from debtors. 6) The bookkeepers were unable to operate book-keeping by themselves after training

sessions with government organizations or from a handbook of fund book-keeping. Eventually, they required help from social development staffers or voluntary accounting teachers.

Regarding the accounting records system of the occupational group, women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province, it did not cover the operation and was still inconsistent with the Generally Accepted Accounting Principles (GAAP). Therefore, it is necessary to pay close attention to the accounting process by educating people with knowledge and competence in accounting by experts or government agencies to advise on the accurate accounting process and systematic document storage. These can make occupational group members know the performance of the group, cost and return arising in each year. It conformed with [2] Kedchada Thongpracha, et. al. (2014, pp. 71-78) who studied The Developing of Accounting System to serve the Sufficiency Economy: Principles of a Community Enterprise: Silk Community at Ban Du, T. Mueang Pak, A. Pak Thong Chai, Nakhon Ratchasima Province, they found that According to the study, the findings revealed that the community had not had a full accounting system, only an easy income and expenses record had been maintained. Bookkeeper of the enterprise had lacked of knowledge in accounting which affect to the duplication of accounting record. Moreover, they had no supporting documents for most of the transactions recorded which caused errors in cash recording, cost calculating and price setting, etc. This also conformed with [3] Puttamon Suwunna-ard. (2019, pp. 84-96) who studied the developments of accounting system under sufficiency economy of community enterprise. She found that the accounting system of this group was developed for more suitability and functionality. In other words, it could successfully summarize the actual operations in the form of profit-loss statement and control raw materials and goods in the stock. Besides, the accounting preparer was able to calculate the costs accurately, resulting in more satisfaction among the group members towards a new accounting system in 10 aspects. These were as followed: 1) Realization of income/expense, 2) Inventory controllability, 3) Realization of product costs, 4) Inventory management, 5) Data adaptability for production management, 6) Control and management of raw materials and inventories, 7) Classification of single debtors and creditors, 8) Realization of operational results and issuance of reasonable financial reports, 9) Analysis of working capital and 10) adaptability of accounting data for financial management.

The researcher then developed a community enterprise accounting system and applied the accounting system to educate members and assess the level of knowledge in accounting. The accounting system development is now suitable for community enterprise. It helps members to realize the performance and financial base of community enterprises. As a result, the community enterprise will be able to have sustainable strength.

CONCLUSION

The development of accounting system of the occupational group, women of processing fermented fish group at Ban Dong Tat Thong, Prang Ku District, Sisaket Province, which the researcher has been developed is suitable and covered the operation of the occupational group. In addition, it conforms with the Generally Accepted Accounting Principles (GAAP) divided into 4 systems: (1) Receiving funding from agency, (2) Purchasing raw materials and production equipment, (3) Distributing raw materials and production equipment and (4) Selling and receiving cash payment. These systems can finally be displayed as a document flowchart.

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