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RESEARCH ON RESPONSIBILITY ACCOUNTING AT REAL ESTATE COMPANIES IN HANOI, VIETNAM.

BY

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Abstract

Responsibility accounting is one of the basic contents of management accounting in enterprises and is one of the most important and effective economic and financial management. It is a tool in economic organizations, including the public sector. and the private sector. Through responsible accounting, business administrators can measure and evaluate the performance of departments within the unit and motivate managers to operate departments according to set goals. The strong impact of the 4.0 revolution makes real estate companies in Hanoi city have to innovate, build, and improve the efficiency of corporate governance to suit the needs and trends, the direction of the times. Through field surveys, the authors found that in general, real estate companies in Hanoi city have decentralized management and a basic responsibility accounting system. However, the responsibility accounting work at real estate companies in Hanoi city has not yet been completed and officially organized.

Keywords: *Responsibility accounting, control tool, corporate management*

1. Introduction

Responsibility accounting helps control costs; and highlights the role of responsibility centers. Responsibility accounting is considered a system of collecting, processing, and communicating financial and non-financial information that helps businesses control the responsibilities of each administrator to achieve the common goals of the company. enterprise. Responsibility accounting determines the contribution of each unit and department to the benefit of the entire organization; provides a basis for evaluating the quality of department managers' performance; and therefore, it influences the way these managers behave; Motivates department managers to operate their departments by the goals of the entire organization. Therefore, researching and organizing responsibility accounting is an urgent requirement for businesses today.

For real estate companies, the product is characterized by being single and of great value. Therefore, strict requirements are placed on these companies to control costs and complete the company's goals. To achieve this, the organizational structure within the company must be decentralized and organized into many departments with specific functions and tasks, and managers in each department must have independence. relative to running their work and must complete tasks set by higher-level management. If senior management wants to best coordinate the activities of different departments within the organization, it must rely on a responsible accounting system.

2. Research methods

This study uses qualitative research methods, specifically:
A statistical and synthetic research method to learn about responsibility accounting implementation at real estate companies in Hanoi city.

Interview method: To interview the group, the author must contact senior managers in advance. Having an appointment, the group of authors met with administrators to answer interviews and surveys. For remote administrators, the author should send the questionnaire by email to the administrator.

The author group collected information from administrators such as members of the executive board, board of directors, heads of departments, etc. Based on the actual situation of real estate companies in the locality. Hanoi city desk, the authors sent 55 ballots to managers at all levels in companies. Characteristics of the survey objects are shown in the following table:

Object	Quantity
Members of the executive board.	10
Board of Directors	15

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Head of department, functional department	30
Total	55
Sex	**Quantity**
Male	23
Female	32
Total	55

Table 1. Characteristics of survey

The authors sent a questionnaire with the purpose of finding out information related to the management organization model, management decentralization, accounting apparatus, budgeting, responsibility assessment criteria system, and management system. Natural audit reporting system. This section will provide information as a basis for evaluating the private audit system at real estate companies in Hanoi city.

1. **Current status of responsibility accounting at real estate companies in Hanoi city**

The authors took survey data from three large real estate companies specializing in distributing real estate to prominent investors in the market such as Vingroup, Sungroup, and Ecopark..., including (1) Malta Real Estate Investment and Development Services Joint Stock Company (2) Phuc Loc Real Estate Joint Stock Company (3) Titan Luxury Real Estate Services LLC.

1.1. Management decentralization at real estate companies in Hanoi

The corporate governance apparatus of the companies taking survey data is organized according to an online functional organizational structure. The advantage of this type of organizational structure is that the General Director leads the Company as a single leader and is assisted by functional departments, experts, and the Advisory Council in making decisions and making decisions. come up with optimal business plans. The proposal, when approved by the General Director, will become an order communicated from top to bottom according to prescribed routes. The real estate companies in Hanoi city that the authors took survey data from, do not have a full-responsibility accounting system. Therefore, the division of responsibility centers is based on the characteristics of companies to facilitate the identification and construction of responsibility centers later.

1.2. Responsibility centers at real estate companies in Hanoi

To evaluate the actual organization of responsibility centers in companies, the authors conducted a survey using a 5-level Likert scale: 1 - Strongly disagree; 5 - Strongly agree. Perform descriptive statistics, based on the assessment of the average value expressed according to the following principles:

Distance value = (Maximum – Minimum)/n = (5-1)/5 = 0.8. The meaning of the levels is as follows:
1.00 - 1.80: Strongly disagree
1.81 - 2.60: Disagree
2.61 - 3.40: No opinion
3.41 - 4.20: Agree
4.21 - 5.00: Strongly agree

3.2.1. Cost center

Object	**Quantity**	**The average value**					
		Must be responsible for own costs	**Must be responsible for salary costs**	**Must be responsible for sales commission costs**	**Must be responsible for reception costs**	**Must be responsible for event organization costs**	**Must be responsible for VPP costs**
Members of the executive board.	10	1.1	1.7	2.1	1.5	1.0	1.0
Board of Directors	15	3.0	3.3	3.5	2.7	2.3	1.2
Head of department, functional department	30	2.2	1.5	2.5	2.3	2.4	2.5
Medium		2.0	2.7	2.2	2.1	1.9	2.2

Table 2. Evaluation of cost responsibility centers

With the statistics from the survey results shown in Table 2, it can be concluded that companies have not assigned responsibility for costs to each department under the company. The 3 groups of survey subjects in terms of content, are mainly responsible for the cost, with an average survey result of 2.0; in which the department with the highest responsibility is the Board of Directors with a survey value of 3.0. The second department responsible for costs with an average value of 2.2 is the Head of Department or functional department. The third division is Board Members with an average value of 1.1. As for salary costs, companies have not completely

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assigned those costs to departments, as shown by survey data with an average value of 2.7. For costs of receiving guests, sales commissions, organizing events, and stationery, companies have contracted out to departments but are still limited and small, specifically through the survey table, the average value is shown respectively. is 2.2; 2.1; 1.9 and 2.2.

3.2.2. Revenue center

Object	Quantity	The average value		
		Must be responsible for total revenue	**Must be responsible for revenue for each project**	**Must be responsible for regional revenue**
Members of the executive board	10	1.9	2.0	2.0
Board of Directors	15	3.3	3.4	3.3
Head of department, functional department	30	2.4	2.5	1.4
Average		2.6	2.7	2.1

Table 3. Evaluation of revenue responsibility centers

With a wide scale of operations-specific business fields, and business products located in almost every province and city in the country, the company has established several branches across the country to ensure comprehensive operations. and create favorable conditions in finding customers as well as meeting customer requirements. The company has contracted revenue to the departments, but it is still unclear, as shown by the survey results, each department is responsible for its own department's revenue with an average value of 2.6. The Board of Directors must take the greatest responsibility for the revenue of the area under their management, specifically assigning responsibility for revenue by area gives an average value of 3.3. Second, are functional departments, specifically the sales department with an average value of 2.4.

3.2.3. Profit Centers

Through a survey on the situation of profit contracting, the average result obtained is 2.0. In which the highest average value is for Board Members with an average value of 3.2, then comes the Board of Directors with an average value of 3.0. The remaining departments are hardly responsible for their department's profits. For responsible for gross profit, profit before and after tax, the responsible departments are low with an average value of 1.9 respectively; 1.9 and 1.0.

Object	Quantity	The average value			
		Must be responsible for profits	**Must be responsible for gross profit**	**Must be responsible for pre-tax profits**	**Must be responsible for profit after tax**
Member of the Executive Board	10	3.2	3.1	2.9	3.0
Board of Directors	15	3.0	3.0	3.0	2.9
Head of department, functional department	30	1.2	1.0	1.0	1.0
Average		2.0	1.9	1.9	1.0

Table 4. Evaluation of profit centers

3.2.4. Investment center

At the Investment Center, survey results showed that members of the executive board obtained the highest average value of 3.0, which shows that the Board of Directors is responsible for the investment capital of the department they manage. , followed by Board of Directors 2.8, heads of functional departments 1.0. This shows that functional department heads are almost not responsible for the investment capital of the departments they manage.

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Object	Quantity	The average value
		Must be responsible for the department's investment capital
Members of the Executive Board	10	3.0
Board of Directors	15	2.8
Head of department, functional department	30	1.0
Average		1.9

Table 5. Assessment of investment responsibility centers

2.1. Criteria for evaluating responsibility centers

The authors survey companies' budgeting work to evaluate their ability to control costs, revenue, and profits to help administrators make decisions. Estimating is an important step, the basis for comparison and evaluation between implementation and plan.

At companies, every year at the end of the third quarter, the Board of Directors, the head of the financial management department, and all remaining department heads will meet to evaluate the implementation of the current year's plan and the results. can be implemented and at the same time take measures to overcome and plan activities for the next year, on that basis, consider and analyze the reasons why the company's departments have not met the plan. The financial management department will officially announce financial planning for the new year to all departments.

Each functional department will make plans and estimates for the following year based on data realized from January to September and estimated data in the last months of the year. By October, the head of the financial management department will conduct the final five-time planning with more detailed calculations to have a more comprehensive assessment of business activities in the new fiscal year.

To evaluate companies' budgeting, the authors asked survey questions and obtained the following results:

Targets	Quantity	Ratio
1. Does the department you are in charge of makin estimates?	**55**	**100**
- Yes	45	82%
- No	10	18%
2. When is the time to prepare the estimate?	**45**	**100**
- The beginning of the year	15	33.3%
- First quarter	21	46.7%
- First month	6	13.3%
- The beginning of the week	3	6.7%

Table 6. Evaluation of estimating work

The basis for making estimates is based on the results of the previous fiscal year and the companies' plans for next year. After surveying the actual situation of estimating companies, the authors obtained results as shown in Table 6 and Table 7. Estimating departments accounted for 82% and the time to prepare estimates at the beginning year accounted for 33.3% and at the beginning of the quarter accounted for 46.7%. Thus, companies still carry out the work of estimating costs, revenue, and profits. Tasks are usually created at the beginning of each quarter.

Object	Quantity	The average value		
		Cost Estimates	Revenue forecast	Profit estimation
Member of the Executive Board	10	1.0	1.0	1.0
Board of Directors	15	2.3	2.1	2.5
Head of department, functional department	30	3.3	2.8	2.2
Average		2.6	2.3	2.1

Table 7. Evaluation of the level of budgeting

The survey statistics on the budgeting work of each department in the company show that each department has made estimates of costs, revenue, and profits as a basis for a more comprehensive assessment of operations. business. In which, making cost estimates has the highest average value of 2.6 and the heads of functional departments have the greatest responsibility. The board of directors is most responsible for preparing the profit estimate with a value of 2.5. For revenue estimation, the highest responsibility is also the heads of functional departments, specifically the sales department with a value of 2.8.

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Object	Quantity	The average value			
		Compare actual costs with estimates	Compare actual revenue with budget	Compare actual profits with estimates	Compare the effective use of investment capital (ROI)
Member of the Executive board	10	1.0	1.0	1.0	1.0
Board of Directors	15	1.3	1.2	1.3	1.1
Head of department, functional department	30	1.7	1.3	1.4	1.2
Average		1.4	1.2	1.3	1.1

Table 8. Evaluation of assessment criteria between actual and estimated

When asked about the evaluation criteria between actual and estimated according to a 5-level scale corresponding from strongly disagree to strongly agree, the results of companies have not compared and evaluated actual and estimated indicators. Estimates for costs, revenue, and profits through the statistical table of survey results show that the average value between actual costs and estimates is 1.4; between actual revenue and estimate is 1.2; between actual profit and estimate is 1.3.

3.2.4. Reporting System of Responsibility Center

Accounting reports are an important means to provide information and determine the specific responsibilities of administrators for each department they manage. Through reports, administrators will be able to control activities more effectively. For the Responsibility Center Reporting System of real estate companies in Hanoi city, the survey authors conducted the following:

Cost center

The cost center responsibility accounting report is a comparison table between actual costs and budgeted costs. Thereby, it is possible to analyze the unit's efficiency and take timely improvement measures.

Malta Real Estate Investment and Development Joint Stock Company
Branch: Hung Yen

COST REPORT FOR THE SECOND QUARTER OF 2023

Unit: million VND

No.	Items	Estimates	Reality	Difference
1	Employee salary	1.500	1.200	-300
2	Sales commission	5.000	4.200	-800
3	Materials management	200	180	-20
4	Management tools	100	100	0
5	Depreciation of fixed assets	150	150	0
6	Office	90	80	-10
7	Electricity, water, telephone	15	15	0
8	Organize events	200	250	50
9	Receiving guests	250	200	-50
10	Other costs	50	50	0
	Total	7.555	6.425	-1.130

Table 9. Report on cost items

Revenue center

The goal of a revenue center is to maximize revenue, so managers are responsible for organizing sales of products and services to achieve the greatest revenue. Therefore, the revenue center's responsibility accounting reporting system needs to meet the requirement: compare realized revenue with the department's budgeted revenue. Revenue center performance reports can be divided into different departments according to branches, regions, and sales product projects following the administrator's management requirements. Revenue reports of each department are designed depending on the information to be reported and the characteristics of the business operations of the enterprise, each department is designed accordingly.

Malta Real Estate Services Investment and Development Joint Stock Company
Project: Eco Central Par
REVENUE REPORT FOR THE SECOND QUARTER OF 2023

Unit: million dong

No.	Department	Plan	Perform	Difference
1	Business 1	1.800	1.500	-300

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2	Business 2	2.000	1.000	-1.000
3	Business 3	2.100	1.200	-900
4	Business 4	1.500	1.600	100
5	Business 5	2.000	1.090	-910
6	Business 6	2.100	1.800	-300
7	Business 7	1.800	1.400	-400
8	Business 8	1.700	1.900	200
9	Business 9	1.600	1.300	-300
	Total	**16.600**	**12.780**	**-3.810**

Table 10. Report on revenue realization

Profit center

Accounting reports are an important means to provide information and determine the specific responsibilities of administrators for each department they manage. Through reports, administrators will be able to control activities more effectively. For the Responsibility Center Reporting System of real estate companies in Hanoi city, the survey authors conducted the following:

Malta Real Estate Services Investment and Development Joint Stock Company

PERFORMANCE REPORT FOR THE SECOND QUARTER OF 2023

Unit: million dong

No.	Targets	Month/Quarter/Year		
		Plan	**Perform**	**Difference**
I	Revenue	21.000	15.000	-6.000
II	Profit after tax	1.000	-2.000	-3.000
III	Profit ratio/Revenue	4.76%		

Table 11. Report on business performance results

Investment center

Reporting to evaluate the responsibility of the investment center, administrators use basic indicators such as ROI, RI,... However, currently real estate companies in Hanoi city However, the survey authors have not yet calculated these indicators.

4. Conclusion

Real estate companies in Hanoi city have a clear hierarchical management apparatus, responsibilities have been assigned to each department, and initially, responsibility centers such as branch centers have been formed. fees, revenue centers, profit centers, and investment centers have not yet been clearly and specifically formed. Each center has managers of each center, responsible for higher levels of management. Most of the responsibility centers of real estate companies in Hanoi city have made estimates, through which administrators can assign targets and responsibilities to each department, at the same time. thereby evaluating the performance as well as the responsibilities of each level of management. The evaluation of the department's performance is reflected through reports and a reporting system that is prepared periodically. Specifically, several reports are prepared such as reports comparing actual costs with estimates, reports comparing actual revenue with estimates, and reporting business results to actual gross profit with estimates. However, the determination of revenue centers and profit centers is still overlapping, as branches can be both revenue centers and profit centers. Therefore, assigning responsibility and delegating power to each specific person is still very difficult. The performance assessment criteria at cost centers are still very general and can be applied to almost any center. The fluctuations of factors have not been analyzed to find the causes of profit differences. or unfavorable, cannot separate controllable costs from uncontrollable costs. Companies do not care about return on investment (ROI) and residual income (RI) targets. Both ROI and RI indicators are very important because, through them, administrators can make the right decisions with investment capital.

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