



Current Status of Accounting Organization in Construction Enterprises in Hanoi City - Vietnam – A Case Study at Companies Belonging to Song Da Corporation

BY

Phd. Pham Thi Tuyet Nhung¹ MA. Nguyen Thi Son² Phd. To Thi Ngoc Lan³

^{1,2,3}University of Labor and Social Affairs



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Abstract

Accounting organization has important significance for the existence and development of enterprises in general and construction enterprises in particular, maintaining and enhancing the enterprise's reputation, creating the ability to attract investment capital, and contributing to protecting the interests of related parties. Therefore, organizing accounting effectively will have a positive impact on market development. The article focuses on presenting, analyzing, evaluating, and synthesizing practical issues of accounting work organization according to the following basic contents: First: Analyzing the characteristics and factors affecting the organization of accounting work in construction enterprises in Hanoi city. Second: Analyzing, evaluating, and synthesizing on the basis of researching the current legal provisions on accounting of Vietnam for construction enterprises.

Keywords: Accounting Organization; Song Da Corporation; Construction enterprises

1. Introduction

In the current context of globalization, Vietnamese enterprises, with the desire to develop and compete well in the market, all intend to restructure. Restructuring will reorient issues of mission, objectives, vision, and operational strategy. These enterprises have actively improved the internal governance regulation system, rearranged the organizational structure, the management and operating apparatus to streamline staffing, and enhance the enterprise's competitiveness. However, these results have not yet created qualitative changes in the management and operating organizational structure, financial management, as well as labor quality, staff, productivity, and operational efficiency of the enterprise. Vietnamese enterprises in general and construction enterprises in particular not only face competitive pressure from domestic companies, but also from multinational corporations, powerful companies in terms of capital, branding, and management qualifications. The business activities of enterprises are increasingly expanding, and competition among enterprises is becoming increasingly fierce. At that time, information becomes an important resource for enterprises in particular and for the socio-economy in general.

After a difficult period when a series of projects were stalled and market confidence weakened, the 2024-2025 period is

expected to be an impressive "rebirth" phase of the construction industry. It is not only a recovery after upheavals but also a process of transformation to adapt to a new era. The construction market has been and is recording qualitative changes, marking the journey of regeneration and upgrading of each enterprise to adapt, recover, and break through.

The year 2025 is seen as a transitional buffer zone, when clear recovery signals gradually appear. The value added of the construction industry achieved a growth rate of about 7.87% in 2025, higher than the overall growth rate of the economy (7.09%), showing the important role of the sector in promoting GDP growth. This improvement was driven by realized investment capital from the State budget reaching 661 trillion VND (up 3.3% compared to the previous year), along with realized FDI capital reaching a record 25.35 billion USD (up 9.4% compared to 2024), creating a boost for infrastructure and industrial projects. Interest rates decreased while the real estate market, which is closely linked to construction, showed positive signs after the legal framework gradually became complete, gradually stimulating construction demand. According to survey results from Vietnam Report, the majority of enterprises in the industry completed and exceeded the plans set out in the past year. The proportion of enterprises that did not meet their plans decreased to 36.0% – the lowest level in three years, while



48.0% of enterprises exceeded their revenue plans and 44.0% had profits that exceeded expectations.

Accounting organization has important significance for the existence and development of enterprises in general and construction enterprises in particular, maintaining and enhancing the enterprise's reputation, creating the ability to attract investment capital, and contributing to protecting the interests of related parties. Therefore, organizing accounting effectively will have a positive impact on market development.

2. Research methodology

During the implementation process, the authors used a combination of analytical, statistical, comparative, and information synthesis methods as a basis for making assessments and evaluations of the current situation and finding causes of limitations in the current state of Accounting Organization at construction enterprises. The authors used qualitative methods in researching practical issues.

Information collection method

The research team used questionnaires to survey, investigate, and statistically collect data and information through the accounting departments of enterprises and enterprises managers currently working at construction companies in Hanoi city.

For accounting departments, the authors sent survey questions via email about the current status of accounting organization at these enterprises, including: Organization of implementation, application of current economic, financial, and accounting policies; Organization of the accounting apparatus; Organization of collecting accounting information; Organization of processing and systematizing accounting information; Organization of providing accounting information; Organization of accounting inspection.

For enterprises managers, the Boards of Directors of member enterprises, and leaders, the sending of survey questionnaires was carried out via email with the purpose of learning information related to characteristics, forms of production organization, organizational structure models, and management decentralization; Training qualifications and level of understanding of accounting and financial accounting work of leaders; The way of using information from departments of the enterprise in the process of making business decisions.

Data collection method

Secondary data: Data collected from within the enterprises (data taken from departments, divisions, sections, and branches) and data collected on research works at home and abroad from books, newspapers, journals, etc.; documents of the Ministry of Finance, Ministry of Construction, etc., summary reports, reports on the operational situation of the construction industry in general. In addition, secondary data was also collected by the authors through the websites of construction companies in Hanoi city.

Primary data: Primary data was collected through

investigation, survey, practical exchange, in-depth interviews, and case studies. To comprehensively capture information about enterprises, the authors combined the method of collecting secondary data through investigation forms.

3. Overview of construction enterprises in Hanoi city

On January 15, 2013, the Minister of Construction issued Decision No. 50/QĐ-BXD approving the restructuring scheme of Song Da Corporation for the 2012 - 2015 period, with a vision to 2020. The Corporation actively equitized and promoted the listing of shares of qualified member enterprises on the stock exchange to increase transparency and openness in operations. Together with the attention, direction, and guidance of the Ministry of Construction and central agencies, the Corporation also continuously improved enterprises governance regulations and rules, strengthened the organizational apparatus, improved the quality of personnel to promptly direct and remove difficulties and obstacles in the process of arrangement, renovation, and improvement of production and business operational efficiency.

On March 26, 2018, Song Da Corporation held its first General Meeting of Shareholders, officially converting from the state-owned Corporation model to the joint-stock Corporation model. Currently, Song Da Corporation includes the parent company, which is Song Da Corporation - Joint Stock Companies, and 13 level-1 subsidiaries subject to direct control by the parent company, 8 companies directly controlled by subsidiaries, and 11 joint venture and affiliated companies.

Song Da Corporation has always received the attention and direction of the Government, Ministries, Sectors, and localities, especially the timely direction of the Party Committee of the Central Enterprise Bloc and the Ministry of Construction; the Corporation's Leadership has been united, together with the efforts of all officers and employees in the Corporation, has overcome difficulties and challenges to maintain stable production and business, closely following the 5-year plan (2016 - 2020) set out for directing implementation.

Continuing to inherit over 60 years of formation and development, the Corporation continues to focus on the main business areas of constructing power plants, infrastructure, transportation, industrial factories, and civil works; manufacturing and supplying construction materials and equipment; construction technology, and real estate business. In its long-term development plan, especially in the current period when the Corporation has been operating under the joint-stock Corporation model, the Corporation continues to orient itself and strive to become one of the strong construction companies in Vietnam and in the region, committed to sustainable development with the highest social responsibility, contributing to the country's development cause.

4. Current status of accounting organization at construction enterprises in Hanoi city

4.1. Current status of accounting apparatus organization

Song Da Corporation does not establish a common accounting apparatus for the entire Corporation. Each member accounting unit has its own accounting apparatus performing the task of receiving, processing, and providing accounting information within the economic scope of that member unit.

Therefore, depending on the operational characteristics, scale of production and business; the complex and diverse nature of the operations in the industry, the accounting apparatus at these units will be organized according to different accounting forms.

According to survey results, 19/52 enterprises (accounting for 36.5%) (such as: Song Da Hanoi JSC, Song Da Consulting JSC, Song Da Transport Works One-Member LLC, etc.) organize accounting apparatus according to the centralized model; 33/52 enterprises (accounting for 63.5%) organize accounting apparatus according to the both-centralized-and-

decentralized model (such as: Song Da 9 JSC, Song Da 10 JSC, Song Da 5 JSC, Song Da 2 JSC, Song Da 6 JSC, etc.)

According to survey results: 44/52 enterprises (accounting for 84.6%) assign tasks to accounting staff in the accounting apparatus by accounting sections (such as: Song Da 2 JSC, Song Da 5 JSC, Song Da Transport JSC, Song Da Hanoi JSC, etc.); 5/52 enterprises (accounting for 9.6%) assign tasks to accounting staff in the accounting apparatus by accounting process (such as: Song Da 6 JSC, Song Da Consulting JSC, etc.)

The accounting department receives initial information through accounting documents, performs the recording of documents into accounting books, and prepares financial statements by itself.

Model of financial accounting and management accounting work organization

Conducted a survey on the organization of financial accounting and management accounting work at member enterprises. The results are shown (Table 1: Survey results on the organization of financial accounting and management accounting work at enterprises belonging to Song Da Corporation) as follows:

Table 1: Survey results on the organization of financial accounting and management accounting work at enterprises belonging to Song Da Corporation

Content	Quantity	Ratio
I. Do not organize management accounting department	0/52	0%
II. Have organized management accounting department	52/52	100%
Combined with financial accounting in the same accounting section	52/52	100%
Not combined with financial accounting in the same accounting section	0/52	0%
Other organizational methods	0/52	0%

(Source: Authors' synthesis from survey results)

According to Table 1, 52/52 enterprises (accounting for 100%) organize a management department. However, the organization of the management accounting department at these companies is mainly combined with the financial accounting apparatus and within the same accounting section of the company.

To support accounting work, construction enterprises all apply information technology to accounting work. In the accounting department, each accounting staff member is equipped with an independent computer connected in a server-workstation manner and connected to the internet. According to survey results, 100% of enterprises use accounting software as a tool to support accounting work. Accounting software has the function of decentralizing usage rights for each accounting staff member, allowing maximum prevention of possible fraud and errors.

4.2. Current status of organizing the implementation and application of current economic, financial and accounting policies

Song Da Corporation does not officially build a common accounting policy system for the entire Corporation. Each member company has its own accounting policy on the basis of complying with and appropriately applying the Vietnamese accounting legal system regarding: Recognition criteria, recognition principles, types of value used for recognition and measurement, recognition and accounting methods, financial statements presentation... for each item on the unit's financial statements.

The main accounting policies applied at the units are quite similar, except for some differences concentrated in the stage of valuing work-in-progress products.

Accounting policies for the valuation of work-in-progress products and the determination of work-in-progress

production and business costs are disclosed in detail in the Notes to financial statements by some companies (Song Da 9 JSC, Song Da Mechanical - Assembly JSC, etc.), while other members only state them generally and abstractly.

Example: Song Da 9 JSC determines a profit rate of 10% to calculate end-of-period work-in-progress production and business costs for each construction work/item:

$$\begin{matrix} \textit{End-of-period} \\ \textit{production and} \\ \textit{business work-} \\ \textit{in-progress costs} \\ \textit{of each} \\ \textit{construction} \\ \textit{work/item} \end{matrix} = \begin{matrix} \textit{End-of-period} \\ \textit{work-in-progress} \\ \textit{output value of} \\ \textit{each} \\ \textit{construction} \\ \textit{work/item} \end{matrix} \times \begin{matrix} \textit{(I-} \\ \textit{Standard} \\ \textit{profit} \\ \textit{rate)} \end{matrix}$$

Where:

- Standard profit rate 10%

End-of-period work-in-progress output value is determined on the basis of end-of-period work-in-progress volume according to inventory results

Song Da 6 JSC also uses a method similar to Song Da 9 JSC but does not disclose the standard profit rate.

4.3. Current status of organizing accounting information collection

Accounting information collection is the first stage of the accounting process, having decisive significance for the truthfulness and objectivity of the data on accounting reports and serving as the basis for inspecting the economic and financial activities of the unit. Therefore, to organize the collection of accounting information, it is necessary to base it on accounting documents with the following contents:

Information collection process: the authors surveyed the description of the accounting information collection process of construction enterprises, with the following results:

Table 2: Survey results on the accounting information collection process at enterprises belonging to Song Da Corporation

No.	Information collection process	Quantity	Ratio (%)
1	No description of information collection process	-	-
2	Described in the task assignment for each employee	52/52	100%
3	Described in the financial regulations	11/52	21.15%
4	Other	-	-

(Source: Authors' synthesis from survey results)

According to the above table, 100% of construction enterprises have built information collection processes, specifically: 52/52 enterprises (accounting for 100%) describe it in the task assignment for each employee, and 11/52 enterprises (accounting for 17.74%) also describe it in the unit's financial regulations.

The authors conducted in-depth interviews with accounting staff of the enterprises and observed the information collection process. The authors found that the enterprises have built a common process for collecting information, which is the accounting document circulation process, consisting of the following steps: Preparing/receiving documents; checking/completing documents; organizing circulation and recording in accounting books; preserving and storing documents.

4.4. Current status of organizing the processing and systematization of accounting information

Current status of organizing the accounting account system

The accounting account system of enterprises is built on the basis of applying the accounting account system in the current enterprise Accounting Regime. From 2015 to the present, enterprises all use the accounting account system issued under Circular 200/2014/TT-BTC dated December 22, 2014. Based on the characteristics of production and business activities, requirements, management level, and qualifications of accountants in the unit, enterprises themselves determine and

build the level 1 and level 2 accounting accounts systems used in the enterprise. Some enterprises also detail down to level 3 and level 4 accounts.

Regarding the use of accounting software: According to survey results, 100% of enterprises use accounting software combined with Excel to perform accounting work, so they have encoded accounting accounts to ensure general accounting and detailed accounting as required. During use, SAS accounting software has been effective, shown through some features such as: The program runs in the Windows environment, printing operations and network connectivity. At the same time, reports in the program can be automatically converted to other programs such as Word, Excel, etc. After entering documents, data is automatically input into related forms; The program always checks account numbers when entering documents, and if any account number is not in the currently applied accounting accounts system, it will notify the user and not allow entry. In addition, some companies and branches are also using other reputable accounting software in the market such as: Effect, Fast accounting, Bravo, etc. Users of accounting software mainly include supervisors, operational managers, and staff performing accounting sections.

Current status of organizing the application of accounting forms and accounting books

The general accounting books and detailed accounting books systems designed on the accounting software at enterprises

have provided information about arising economic-financial transactions both in chronological order and classified by each general account, by each detailed economic indicator, meeting the requirements for recognizing and inspecting transactions, while also meeting the management work requirements at enterprises. The accounting book system at Project Executive Boards, in addition to the accounting books according to the guidance of the current enterprise Accounting Regime, also uses accounting books to reflect transactions related to construction investment according to the Accounting Regime of investor units, such as: Construction investment cost book; Project management board cost book; Other cost book, etc. After data inspection work is completed, the general accountant will issue the book-closing command at the end of the accounting period.

According to the questionnaire response results, 47/52 enterprises (accounting for 90.4%) do not print accounting books monthly but print them annually, leading to risks of data loss if the accounting software encounters problems before printing or backing up data, and causing difficulties when related departments arbitrarily modify, supplement, or adjust data of previous months or quarters. Through the application of accounting software, recording transactions in the books still cannot avoid errors such as: Recording incorrect data, omitting or duplicating transactions, incorrect entries. If errors needing correction occur during the month, corrections are made directly on the accounting software. If some errors are detected after closing, the accountant in charge of that section reports to the administrator to correct the books under the supervision of the administrator, and the books are re-locked after the corrections are completed. Regarding the correction of accounting books: When incorrect data is detected, it is mostly detected and corrected from the document on the computer without showing the book correction entry. This depends on the software design; most software self-built by Vietnamese experts is designed for book correction according to the "flexible" principle, meaning that when incorrect data is detected, it is allowed to be corrected directly in the book or by going back to the document.

Regarding the organization of applying accounting forms, through actual surveys, 100% of construction enterprises are applying the general journal accounting form. Information on accounting documents is entered into the software in detail according to management information provision requirements; the program automatically updates data into the general accounting books system and detailed accounting books as prescribed in the appendix of TT 200/2014/TT-BTC.

With the accounting software program installed, when commanded, the program automatically posts to the "General Journal", relevant ledgers, and detailed books, and allows export and printing of corresponding books and accounting reports. Regarding the organization of printing and storing accounting documents: many units print and store both general and detailed accounting books, while some units only print and store general accounting books. (Appendix 2.3: Document processing process on computer)

4.5. Current status of organizing the provision of accounting information

(a) Financial Statements System

Construction enterprises prepare financial statements including annual financial statements and quarterly financial statements. The forms and methods of financial statements preparation are implemented by enterprises in compliance with the financial statement system regulations in the enterprise Accounting Regime issued under TT 200/2014/QD-BTC dated December 22, 2014.

The financial statement system at enterprises includes:

- Balance sheet
- Business Performance Report
- Cash flow statement
- Notes to financial statements

The work of synthesizing data and preparing quarterly and annual financial statements at construction enterprises has been assigned to accounting staff with experience and high expertise. The main accounting policies applied by enterprises in preparing financial statements are in accordance with current Accounting Standards and enterprise Accounting Regime. However, through the actual situation survey, reading and analyzing financial statements and related documents of enterprises, it is found that there are some accounting policies and end-of-period data processing work before preparing financial statements that have differences compared to current regulations.

Some enterprises do not implement the setting up of provisions according to current regulations for the following: doubtful debts; impairment of financial investments; impairment of inventory; construction product warranties, etc.

Regarding the setting up of provisions for doubtful debts: When preparing financial statements at the end of the accounting period, enterprises must estimate the level of potential losses or the overdue age of debts and proceed to set up provisions for each doubtful debt, accompanied by evidence proving these doubtful debts. However, some enterprises do not implement the setting up of provisions.

Due to the still difficult domestic economic situation and limited capital allocated for projects, the collection of customer debts is still slow; some customers delay paying debts; In addition, some construction works have large retained warranty values awaiting final settlement (Investors do not allow the issuance of guarantee letters), leading to large receivables of the entire Company, which has caused many difficulties for the Company in balancing capital to serve production and business activities, while also increasing financial expenses and reducing the Company's production and business efficiency.

(b) Management Report System

Through surveys and interviews, it is found that 100% of leadership levels of construction enterprises are very interested in the information presented on management reports to promptly serve the operation of production and business activities, and consider that the need to organize an

accounting information system to serve management is very necessary.

According to survey results: 52/52 enterprises (accounting for 100%) all prepare management reports. The preparation of management reports is carried out periodically at 42/52 enterprises (accounting for 80.77%) such as Song Da 2 JSC, Song Da 3 JSC, Song Da 5 JSC, Song Da 9 JSC, Someco JSC, etc.; carried out upon request at 10/52 enterprises (accounting for 19.23%).

The management report that enterprises use include: Inventory status report; Status report on receivables and payables; Production cost report of products (construction works); Revenue, cost, and profit status report of each product (construction work), etc. The information presented on management reports is quite comprehensive, showing information on norms, plans, budgets, information on previous period figures, current period figures, etc. However, since the management report system of these enterprises is pre-designed on accounting software and is prepared in parallel with the financial accounting sub-system, the forms of these management reports are still rigid, lacking some report forms or report forms that are designed not in accordance with the specific management information requirements in the construction sector. Most enterprises only prepare implementation reports based on actual data arising, and have not prepared a full system of production and business activity orientation reports and reports analyzing variances between orientation and actual occurrence.

According to survey results, 37/52 enterprises (accounting for 71.15%) meet the internal management information needs of the enterprise; the remaining 15/52 enterprises (accounting for 28.85%) believe that the Company's management reports system still does not meet the requirements for providing information serving the internal management of the enterprise. The reason for not meeting the information provision requirements stems from the fact that management report preparation at some enterprises is only carried out upon request, leading to accounting information provided to serve decision-making accounting for 51.92%, not meeting at 48.08%, with difficulties in decision-making.

4.6. Current status of organizing accounting inspection

Construction enterprises have hired reputable independent audit units such as: AASC, DELOITTE, BDO, An Viet, etc., to audit their individual Financial Statements. In addition, the Corporation conducts internal inspections of financial and accounting activities, guiding units to comply with the regulations of the Government and the Ministry of Finance. Through surveys, accounting inspection work at construction enterprises is generally in accordance with regulations.

In practice, accounting inspection work at construction enterprises is carried out according to the following contents:

- Inspecting the legality and validity of accounting documents; inspecting the recording in accounting books, inspecting

accounting reports to ensure compliance with the accounting regime and accounting policies.

- Inspecting the responsibilities and work results of the accounting apparatus, the relationship between accounting and other departments in the enterprise.
- Inspecting and controlling the quality and reliability of economic and financial information provided by the enterprise through financial statements and other accounting reports.
- Preparing accounting reports on inspection results, the handling status of violations detected during the year or in previous inspections.

Construction enterprises have organized internal inspections of the unit's financial and accounting activities and guided enterprises to comply with current regulations. Associated with accounting inspection work by hiring independent audit units, some enterprises have established an Internal Control System.

At construction enterprises, through actual surveys, 32/52 enterprises (Song Da 2 JSC, Song Da 3 JSC, Song Da 4 JSC, Song Da 5 JSC, Song Da 6 JSC, Song Da 9 JSC, Someco Song Da JSC, etc.) have established a Company Internal Control Board. However, 20/52 enterprises (Song Da Transport Company, Song Da Hanoi JSC, etc.) have not built this system, because these units consider that this system is not necessary, or there is confusion between accounting and auditing work.

CONCLUSION

Under the conditions of the Vietnamese economy integrating ever more deeply and widely with the world economy in accordance with the requirements of the Economic Agreements that Vietnam has signed, domestic enterprises need to create competitive advantages, improve production and business efficiency, and capture markets by accurately and fully calculating input factors, properly organizing information collection, processing, analysis, and provision to serve enterprises management requirements. Construction enterprises in particular face many difficulties in production and business. With the research purpose of the Current Status of Accounting Organization at Construction Enterprises in Hanoi City, the article has achieved some specific results as follows:

The article has clearly identified the characteristics of construction enterprises in Hanoi city affecting the organization of accounting work. At the same time, the authors identified and analyzed the material factors affecting the organization of accounting work in enterprises. The article presents the current status of accounting work organization of construction enterprises in Hanoi city according to the accounting process, with 6 main issues: Organization of the accounting apparatus; Organization of implementation and application of current economic, financial policies, and accounting regime; Organization of collecting accounting information; Organization of processing and systematizing

accounting information; Organization of providing accounting information; Organization of accounting inspection work.

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