

**THE ACCOUNTING SERVICES OF THE DEPARTMENT OF SCIENCE
AND TECHNOLOGY REGION 2 AS TO THE IMPLEMENTATION
OF SMALL ENTERPRISE TECHNOLOGY UPGRADING
PROGRAM (SETUP)**

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ABSTRACT

Accounting and governance are important at the organizational level and image, because accounting governance strengthens the organization. It establishes the organization's reputation in the public disclosure data reliability and creates a competitive advantage in the business. This study seeks to assess the extent of implementation, degree of relevance, degree of reliability and timeliness of the accounting services in the implementation of Small Enterprise Technology Upgrading Program (SETUP). This study used the descriptive and quantitative analyses with the use of questionnaire and interview to get information on the assessment of the participants on the accounting services of DOST Region 02. It involved a total of one hundred eighty three (183) participants. The study revealed that the Accounting Services of the Department of Science and Technology Region 02 provided in their SETUP Program generally possess the hallmarks of quality from the assessment of both its internal and external users and clients. This is particularly true with respect to the extent of its implementation, degree of relevance, reliability and timeliness. The assessment of the quality of the Accounting Services is consistently done across its various users and clients with high rating of evaluation.

Keywords: *Accounting services, department of science and technology, small enterprise technology upgrading program (SETUP)*

INTRODUCTION

In today's modern and highly competitive business environment, the management's concern is to provide quality and timely information on products/services to customers. And since financial aspect is critical to the operation of the entire organization, accountants should become more aware of the importance of having one information system that will embrace all components of all transactions needed to deliver prompt service. An accounting system may either be manual or electronic. In manual accounting system, each transaction is entered manually in the journals and posted manually in the general ledgers. To obtain general ledger account balances and to prepare financial statements and other financial reports, manual computation is being made. In an electronic accounting system, a computer is used to process transaction data in disseminating information to interested parties.

The Department of Science and Technology (DOST) is the executive department of the Philippine government for the coordination of science and technology-related projects and to formulate policies and projects in the field of science and technology in support to national development. A program called Small Enterprise Technology Upgrading (SETUP) was established in 2002. SETUP is a nationwide strategy to encourage and assist micro, small and medium enterprises as well as private and government institutions to implement technological innovations in order to enhance their competitiveness and support the economic development especially in the countryside.

The program enables MSMEs to address their technological requirements and improve productivity through the infusion of appropriate technologies, human resource training, technical assistance and consultancy services, design and execution of functional packages and labels, assistance for compliance with regulatory and market standards including testing and the provision of assistance for technology acquisition.

SETUP focuses assistance on the following priority sectors: food processing, furniture, gifts, decors and handicrafts, agriculture/marine/aquaculture, metals & engineering and others (including ICT,

pharmaceuticals and health products).

The DOST Regional Office in Cagayan Valley has released an amount of P182M to 248 projects from 2002-2015. On food processing, there are 90 projects, 38 on furniture, 55 on horticulture/agriculture, 4 on gifts, decors & handicrafts, 15 on aquaculture, 40 on metals and 6 under ICT. SETUP assistance can be refunded within 3-5 years without interest. However, penalty and default charges shall be imposed for unpaid due amounts.

DOST Region 02 releases the fund assistance for the technology acquisition to the beneficiaries/customers after the evaluation and approval of a project proposal. The amount of assistance is based on the projected cash flow of the business and a Memorandum of Agreement between DOST and the beneficiary, duly signed and notarized is prepared.

The accounting section of DOST Region 02 for the implementation of SETUP provides the following services: processing of vouchers for the release of SETUP fund, recording the releases and collection of refunds, maintenance of records, review and certification of financial statements and reports, internal audit services, tax services, preparation of billing statements and preparation of monitoring reports. The accounting section performs these services that results in providing accounting information for the internal and external users.

The accounting section of the DOST Region 02 functions as internal control in the releases of funds and the collection of repayments for SETUP. It maintains records on the financial aspect and is responsible for providing financial reports to the internal and external users.

The implementation of the SETUP produced a number of difficulties as years passed by. Implementers have encountered difficulty in monitoring the aging of repayments from customers, difficulty in preparing reports needed by the central office, difficulty in monitoring the releases and collection of SETUP refunds and difficulty in making an analysis of SETUP funded projects. Likewise, SETUP customers are also hard up in monitoring their repayments because of delayed delivery of billing statements which are done manually by the

accounting section. Penalties and default charges are also computed manually thus SETUP individual ledgers are not updated on time and computational errors cannot be avoided.

The success of project implementation of government agencies contributes to the national economy. There is a need to evaluate the accounting practices and the value they add to the successes of these government agencies and what development should further be made to make the role of management be of high efficiency.

Statement of the Problem

The study sought to assess the DOST Accounting Services in the implementation of SETUP in Region 2.

Specifically, it aimed to answer the following:

1. What is the profile of the participants in terms of:
 - 1.1 age;
 - 1.2 educational attainment;
 - 1.3 position/designation;
 - 1.4 length of service; and
 - 1.5 role in the SETUP?
2. What is the extent of quality of the accounting services of DOST Region 02 with respect to:
 - 2.1 extent of implementation;
 - 2.2 degree of relevance;
 - 2.3 reliability; and
 - 2.4 timeliness?
3. Is there a significant difference on the participants' assessment on the extent of quality of the accounting services of DOST Region 02 when grouped according to profile variables?
4. What are the problems encountered by the internal and external users in the accounting services provided for the SETUP implementation?
5. What are the participants' suggestions to improve the accounting services of DOST Region 02 SETUP?
6. What innovative tools/strategies can be proposed for the improvement of these services?

METHODOLOGY

Research Design

This study used the descriptive and quantitative analyses with the use of questionnaires to get information on the assessment of the participants on the accounting services of DOST Region 02 . A guided interview was conducted to ask pertinent questions and to verify gathered information from the survey questionnaire.

Participants of the Study

This study involved a total of one hundred eighty three (183) participants. The participants were classified as internal and external. The internal participants are composed of the Provincial Science and Technology Directors and their SETUP Staff and the SETUP Coordinating Team. The Provincial Directors were the primary participants taking into consideration their need for accurate, reliable and timely accounting information in accomplishing monthly, quarterly and annual reports of accomplishments of SETUP customers.

The members of the DOST Region 02 SETUP Coordinating Team were likewise included as participants because of their significant role as facilitators in the region-wide implementation of the program. And, the external participants were SETUP Customers to ascertain which accounting practices are beneficial to them.

Table 1

Frequency and Percentage Distribution of the Participants

Type of Participants	Frequency	Percentage
Provincial Science & Technology Directors	5	2.00
Provincial SETUP Staff	10	4.00
SETUP Coordinating Team	4	1.00
SETUP Customers	248	93 .00
Total	267	100 .00

Instrumentation

The survey questionnaire and the personal interview were the primary data gathering instruments used in this study. Other pieces of information were obtained through secondary sources like theses, dissertations, researches, publications and articles.

The statements in the questionnaire were taken from the functions that are assigned to the accounting section as reflected in the Individual Performance Commitment Review (IPCR).

Data Gathering Procedure

For this study, the survey questionnaire was the primary data collection tool. The questionnaire consisted of a brief introduction and explanation of how to answer the questions. This is done with the intention of orienting them with the process of answering the questions so that participants are able to understand the process before commencing and be able to ask questions. The target participants of these questionnaires were the Provincial Science and Technology Directors, Provincial SETUP Staff, SETUP Coordinating Team and SETUP Customers in Region 2 who are directly affected by the program.

Data Analysis

The statistical tools that were used to analyze the data consisted of the following:

Frequency and Percentage Distribution. These were used to describe the profile of participants in terms of their age, educational attainment, position/designation and length of service.

Weighted Mean. This was used to determine the extent of implementation and the degree of relevance, reliability and timeliness of the DOST Region 02 accounting services in the implementation of SETUP.

Independent Sample t-test or One-Way Analysis of Variance. These were used to test for significant difference in the participants'

assessment on the extent of implementation and degree of relevance, reliability and timeliness of accounting services provided when grouped according to profile variables.

To interpret the mean responses of the participants, the following qualitative descriptions were used.

Mean Range	Qualitative Description
4.20 – 5.00	Very Great Extent
3.40 – 4.19	Great Extent
2.60 – 3.39	Moderate Extent
1.80 – 2.59	Little Extent
1.00 – 1.79	Very Little Extent

RESULTS AND DISCUSSION

Profile of the Participants

1. Age Range. Majority of the participants belong to age range 36 to 40 years.
2. Highest Educational Attainment. Majority of the participants are college graduates.
3. Position/Designation. Majority of the participants are owners of the SETUP projects.
4. Length of Service. Most of the participants had been in work service for 6 to 10 years.
5. Role. Most of the participants are customers of the DOST SETUP program

Extent of Quality of the Accounting Services of DOST Region 02

1. The Accounting Services of DOST Region 02 is implemented to a “Very Great Extent”.
2. The Accounting Services of DOST Region 02 is relevant to a “Very Great Extent”.
3. The Accounting Services of DOST Region 02 is reliable to a “Great Extent”.

4. The Accounting Services of DOST Region 02 is timely to a “Very Great Extent”.

Test for Significant Difference in the Extent of Quality of the Accounting Services of DOST Region 02 when Grouped According to Profile Variables

1. There is no significant difference in the extent of implementation, degree of relevance, degree of reliability and degree of timeliness of the Accounting Services of DOST Region 02 when grouped according to the participants’ age range.
2. There is no significant difference in the extent of implementation, degree of relevance, reliability and timeliness of the Accounting Services of DOST Region 02 when grouped according to the participants’ highest educational attainment. However, there is a significant difference in the participants’ assessment with respect to the extent of implementation of the DOST Accounting Services when participants are grouped according to their highest educational attainment.
3. There is no significant difference in the extent of implementation, degree of relevance, degree of reliability and degree of timeliness of the Accounting Services of DOST Region 02 when grouped according to the participants’ position or designation.
4. There is no significant difference in the extent of implementation, degree of relevance, degree of reliability and degree of timeliness of the Accounting Services of DOST Region 02 when grouped according to the participants’ length of service.
5. There is no significant difference in the extent of implementation, degree of relevance, reliability and timeliness of the Accounting Services of DOST Region 02 when grouped according to the participants’ SETUP role.

Problems Encountered by the Internal and External Users in the Accounting Services of DOST Region 02 for SETUP

External Users:

1. Delay in the receipt of billing statements.
2. Inaccurate computation of penalty and default charges.

3. Inaccurate details in the billing statements.

Internal Users:

1. Inaccurate balances of paid and unpaid SETUP projects.
2. Non-submission of monitoring reports.
3. Delayed submission of financial reports.
4. Delayed submission of schedules.

Suggestions to Improve the Accounting Services for SETUP Implementation

1. Send accurate billing statements regularly.
2. Submit monitoring and financial reports on time.
3. Check mathematical computation on the billing statement.
4. Prepare updated schedules on balances for easy monitoring and guidance of internal users.

Innovative Tools/Strategies to Improve the Accounting Services of DOST Region 02 in the Implementation of SETUP

1. Computerization of data/financial information.
2. Train accounting personnel to be more efficient in the use of technology.

CONCLUSION

In the light of the findings obtained, the following conclusions are reached:

The Accounting Services of the Department of Science and Technology Region 02 provided in their SETUP generally possess the hallmarks of quality from the assessment of both its internal and external users and clients. This is particularly true with respect to the extent of its implementation, degree of relevance, reliability and timeliness. The assessment of the quality of the Accounting Services is consistently assessed across its various users and clients with high rating of evaluation.

RECOMMENDATIONS

Based on the findings and conclusions reached, DOST Region 02's accounting services in the implementation of SETUP may be further enhanced by the following recommendations:

1. DOST may address the identified problems and come up with a solution to improve its accounting services.
2. DOST may consider to innovate a tool to be used by the accounting section to improve further its services in the implementation of SETUP.
3. DOST may consider sending accounting personnel for systems training.
4. DOST may introduce training programs to improve users' understanding of available accounting services.
5. The researcher recommends that a similar study be conducted to include other regions in order to affirm or validate the findings of this study.

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