

## Theoretical Foundations of Organizing Management Accounting System in Higher Education Institutions

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**Abstract:** This article highlights the theoretical and methodological foundations for organizing a management accounting system in higher education institutions. The study analyzes the concept of management accounting, its functions, and the necessity of its implementation in universities. Furthermore, theoretical conclusions are presented regarding the impact of the management accounting system on the efficiency of educational institutions.

**Key words:** management accounting, higher education institution, financial control, efficiency, resource management, information system.



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### Introduction

In recent years, reforms in the higher education system of the Republic of Uzbekistan have required ensuring the financial independence of higher education institutions. Under such conditions, university management needs an accurate information system to use internal resources rationally, plan expenses, and evaluate performance efficiency.

The management accounting system performs precisely this function: it provides management with economic information necessary for internal decision-making. Therefore, the issue of organizing a management accounting system in higher education institutions is not only practically but also theoretically significant.

The main purpose of this article is to elucidate the theoretical foundations of organizing a management accounting system in higher education institutions and to determine its impact on institutional efficiency.

### Methods

This study employed the following scientific methods:

- **Analysis and synthesis** — to reveal the theoretical essence of the concept of management accounting;

- **Abstract-logical method** — to theoretically formulate the model of organizing the management accounting system;
- **Induction and deduction** — to apply general theoretical principles to specific cases within higher education institutions.

Sources of data included scientific literature, normative documents, and studies on the financial management systems of higher education institutions in Uzbekistan.

## Results

The analysis shows that in cases where the management accounting system has not been implemented or fully developed in higher education institutions, the following issues are observed:

1. Difficulties in determining the precise composition of costs;
2. Inability to evaluate the performance efficiency of faculties and departments;
3. Low transparency in the use of resources;
4. Insufficient information for financial decision-making.

The study also revealed that an effective management accounting system should include the following components:

- Identification and systematization of information flow;
- Determination of internal accounting objects for costs and revenues (faculty, department, academic program, etc.);
- Classification of expenses into direct and indirect categories;
- Preparation and analysis of management reports;
- Automation through information technologies (such as “1C: Accounting,” “ERP Education,” “Campus Management,” etc.).

Implementing such a system enhances the efficiency of the higher education institution’s activities, optimizes expenditures, and ensures financial stability.

## Discussion

The most crucial factor in organizing a management accounting system is the quality of information and the speed with which it reaches users. The study results show that if the management accounting system is automated, the influence of the human factor in decision-making decreases, and the accuracy level increases.

The issue of organizing a management accounting system in higher education institutions has been widely studied in academic literature. Both domestic and foreign scholars have proposed various approaches in this field. The analysis of previous studies indicates that theoretical ideas about management accounting systems have evolved in different periods depending on economic conditions.

### 1. Analysis of Domestic Studies

**Khamdamov A.**, in his book *“Management Accounting: Theory and Practice”* [2], comprehensively describes the possibilities of applying management accounting systems under national economic conditions. The author emphasizes the importance of correctly determining internal accounting objects and effectively directing information flows when organizing the management accounting system. He also justifies that by defining cost distribution methods in higher education institutions, it is possible to achieve financial transparency.

**Jo'rayev Sh.**, in his research on improving the financial management system in higher education institutions, considers management accounting as an integral part of this system. According to him, strategic decision-making based on management accounting data increases the competitiveness of higher education institutions [5].

Moreover, the Decrees and Resolutions of the President of the Republic of Uzbekistan stipulate granting financial independence to higher education institutions, efficient use of budgetary and non-budgetary funds, and improving financial reporting systems. These normative documents serve as a legal and organizational basis for introducing a management accounting system.

## 2. Analysis of Foreign Literature

Among foreign researchers, Charles Drury is one of the leading scholars who has deeply studied the theory of management accounting. In his work *"Management and Cost Accounting"* [3], management accounting is defined not only as cost accounting but also as an information system that supports strategic planning, performance evaluation, and decision-making processes. Drury substantiates the effectiveness of using management accounting data in non-production sectors, such as educational institutions.

Horngren, Datar, and Rajan, in their book *"Cost Accounting: A Managerial Emphasis"* [4], approach management accounting from the perspective of the **"value creation chain"**, emphasizing the need to measure costs and efficiency across all organizational processes. They regard management accounting data as a vital part of strategic management and particularly emphasize the role of information systems in decision-making.

These ideas are also relevant to higher education institutions since the value creation process in universities occurs through training specialists, conducting research, and implementing innovation. Therefore, adapting foreign models to the national education system helps effectively introduce management accounting systems.

**Table 1. Comparative Analysis of Scientific Sources**

| Source                 | Main Focus                                                              | Scientific Contribution                                                                |
|------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| <b>Khamdamov A.</b>    | Organization and practical application of management accounting systems | Defines methodological bases under national economic conditions                        |
| <b>Jo'rayev Sh.</b>    | Role of management accounting in financial management systems           | Emphasizes strategic decision-making through management accounting in higher education |
| <b>Drury C.</b>        | Theory and functions of management accounting                           | Develops the concept of management accounting as an information system                 |
| <b>Horngren et al.</b> | Value creation and efficiency assessment                                | Proposes integrating management accounting data into strategic management              |

The analysis of literature shows that management accounting is not merely an extension of financial accounting but an information system supporting strategic management.

While domestic studies mainly focus on organizing the system and improving financial control, foreign sources explore its strategic and informational functions in greater depth.

Considering the rapid development of digital technologies and the organizational-economic transformation of higher education institutions, and based on the definitions provided by the aforementioned scholars, the following definition can be proposed:

“A management accounting system in higher education institutions is an integrated management information system aimed at collecting, analyzing, and processing financial, resource, and performance indicators of the institution through digital information technologies to support strategic decision-making.”

## Conclusion

Organizing a management accounting system in higher education institutions implies not only strengthening financial control but also implementing advanced methods of strategic management.

Based on the research findings, the following conclusions were drawn:

1. The management accounting system enhances economic efficiency and transparency in higher education institutions;
2. Automated accounting systems ensure rapid information exchange;
3. It enables effective decision-making through the economic analysis of faculty and departmental activities.

Therefore, it is advisable to develop unified methodological guidelines for management accounting and to introduce this system into practice in higher education institutions.

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