



**PROBLEMS OF FORMATION OF ACCOUNTING PROCESSES ON THE  
BASE OF DIGITAL TECHNOLOGIES**

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**ABSTRACT**

The advent of digital technologies has revolutionized the way businesses operate, and the accounting profession is no exception. The formation of accounting processes on the basis of digital technologies has brought about numerous benefits, including increased efficiency, accuracy, and transparency. However, this transformation is not without its challenges. This article will delve into the problems associated with the formation of accounting processes on the basis of digital technologies.

**KEY WORDS**

Digitalization, international standards, accounting and finance, controlling system, information technology.

**Introduction**

A high level of accounting evidence of the company is an important criterion indicating its healthy financial status. So, the stable performance and financial solvency of the company are two benchmarks determining its development and competitiveness. Expectations of external users of the results of the company's activities always had a significant impact on the accounting security. From the basis of meeting these requirements, it determines the so-called concept of accounting "without specialists". This concept is based on the assumptions that the development of the business environment, the formation of the digital economy and the transition of the society in the format of information can lead to a full scale of accounting and analytical work at the enterprises. These processes can be effectively realized with the support of digital technologies in the formation of all the parties of the financial management on the basis of a single strategy in the context of continuous technological improvement.

With regards to digitalization, it is essential for daily existence for clients to buy items and administrations with the guide of an application on the web and in actual stores. The surges of items and funds inside and between organizations are likewise profoundly interconnected when they depend on digitalized processes. Digitalization subsequently envelops the whole inventory network of an item or administration. Bookkeeping is one region of the organization that reports these cycles with clients and different organizations, empowers these cycles, upholds them in fact, and associates them with interior and outside interfaces. In this unique circumstance, organizations these days face the test to pursue choices on the presentation of new advances and digitalized business processes into the area of bookkeeping, among others. Digitalization can address different stages, from replacement to business process advancement. It is normal that not just expenses and efficiency are fundamental

choice measures for the presentation of innovations and digitalized business processes yet in addition the degree to which workers can dominate and utilize advances and have the ability to satisfy new or developing errands.

In this specific situation, it is important to depict what digitalization means for the necessity profile with respect to the abilities of workers in bookkeeping. On the general level, the idea of capability is examined in numerous ways and frequently centered around dominating space explicit assignments and prerequisites. The kinds of exercises themselves range from manual routine undertakings (for example paper-based accounting) to intuitive exercises. Subsequently, to study pertinent capabilities in bookkeeping in a digitalized world, we need to dissect the various errands and genuine bookkeeping exercises that outcome in changing skill necessities as a premise. There are clever examinations accessible that break down changes and improvements of space explicit necessities and capabilities as well as kinds of exercises with regards to digitalization. Nonetheless, rather little data is presented by these reports with regards to bookkeeping and its particular exercises as well as innovations as instruments for these exercises.

## **Background and Significance**

The solution of several problems of research and expert systematization of accounting processes in different fields of activity in the modern world is very actual. First, the expansion of territory in which market economy is realized today has led to significant changes in the structure of economic entities and kinds of occupied work over the last twenty to forty years. Such overpopulation of the market with a variety of economic entities leads to the wide dispersal of character and volume of accounting - conditionally, this process can sometimes be described as the formation of a lot of local systems, for each economic entity.

The technological changes lead to the significant transformation of the system of accounting. Self-regulating information models (SRIM) are defined, within which information support for all over deterministic systems is made. Techniques of information support of functional subsystems in the over deterministic systems generated by SRIM are offered. The techniques are based on the use of averaged models of the entering flows for forecasting assessment. Priorities of tasks of formation assessment of accounting processes on the base of digital technologies are determined.

## **Discussion**

Digitalization's infiltration into all everyday issues and society is an irreversible interaction that makes various advantages for organizations; however, it likewise makes an extensive rundown of difficulties. In any case, the digitalization of business processes straightforwardly affects bookkeeping. The digitalization of bookkeeping includes its change from customary to computerized structure, which likewise involves the two possibilities and detriments for organizations. The capacity of a business, especially its bookkeeping, to adjust as fast as conceivable to the latest things of digitalization relies upon its future market position and presence overall. Hence, it is pertinent to examine the valuable open doors, prospects, and difficulties of the digitalization of bookkeeping and the digitalization of business processes. Bookkeeping has advanced in lined up with data innovation, so it tends to be accepted that this region will adjust to the new real factors quicker than others. The bearings of execution and improvement of digitalization of bookkeeping in undertakings are: changes in the bookkeeping framework concerning its systemic components; utilization of new advanced types of

resources, liabilities, and capital; proficient advancement as per the necessities of computerized skills of bookkeeping staff.

The tremendous open doors presented by digitalization for bookkeeping are hard for current organizations to disregard and not use in their exercises. Web innovation can altogether decrease the expense of correspondence and the exchange and capacity of data. Electronic interchanges permit organizations to venture into new business sectors, give sufficient chances to draw in clients, altogether save time, and permit them to answer rapidly to advertise variances. The primary obstructions to the execution of digitalization are protection from change, authoritative culture, absence of trust, and the significant expense of innovation. Independently, analysts note network protection gambles, as well as the decrease in the nature of data and the issue of the unwavering quality of the individual engaged with its conservation and transmission.

Scientists concur that the expectation that things will stay pretty much as they are currently ought to be viewed as possibly risky. That is, digitalization will influence business cycles and bookkeeping, and advances, for example, huge information examination, computerized reasoning, blockchain innovation, and different advances can possibly stop any human impedance in the review cycle. Specifically, huge information can enhance unique records and work on the nature of detailing. Later on, man-made consciousness will actually want to play out similar review methods and decisions as a human partner. The course of digitalization of business processes is deficiently covered and arranged, there is no clearness or agreement in progress of researchers in regards to its principal stages. There is additionally little inclusion of explicit areas of digitalization of bookkeeping.

## **Results and Analysis**

The world of accounting, once dominated by paper ledgers and manual calculations, has undergone a profound transformation with the advent of digital technology. Digital accounting, a comprehensive approach that leverages software and cloud-based platforms, has ushered in a new era of efficiency, accuracy, and accessibility, offering numerous benefits to businesses of all sizes.

### **Enhanced Efficiency and Automation:**

One of the most significant benefits of digital accounting is the automation of repetitive tasks. Software solutions can handle tasks like data entry, invoice processing, and reconciliation, freeing up accountants to focus on higher-level analysis and strategic decision-making. This automation significantly reduces the risk of human error, ensuring accuracy and consistency in financial records. Moreover, digital platforms allow for real-time updates, eliminating the need for manual data transfer and reconciliation, further streamlining operations and reducing processing time.

### **Real-Time Insights and Data Analysis:**

Digital accounting provides businesses with access to real-time financial data, allowing for informed decision-making based on current information. Cloud-based platforms offer dynamic dashboards and interactive reports, providing a comprehensive overview of financial performance, cash flow, and key metrics. This real-time visibility empowers businesses to identify trends, anticipate potential challenges, and make proactive adjustments to their strategies. Moreover, the ability to analyze data across different periods and departments facilitates informed budgeting, forecasting, and resource allocation.

## **Improved Collaboration and Communication:**

Digital accounting fosters seamless collaboration among stakeholders, including accountants, managers, and external partners. Cloud-based platforms enable secure access to financial data from any location with an internet connection, facilitating real-time communication and collaboration. This shared access eliminates the need for physical document exchange, reducing delays and improving efficiency. Furthermore, digital platforms offer features like task management and shared workspaces, allowing teams to work collaboratively on projects, ensuring everyone is on the same page and contributing effectively.

## **Enhanced Security and Data Protection:**

Digital accounting platforms employ advanced security measures to protect sensitive financial data from unauthorized access and cyber threats. Cloud-based solutions typically offer multi-factor authentication, data encryption, and regular security updates, ensuring the integrity and confidentiality of financial information. This robust security framework provides peace of mind for businesses, knowing their financial records are protected from potential breaches and data loss.

## **Cost Savings and Reduced Overhead:**

Digital accounting solutions can significantly reduce operational costs by eliminating the need for physical storage, paper documents, and manual processes. Cloud-based platforms offer subscription-based pricing models, providing a predictable and cost-effective alternative to traditional accounting software. Moreover, the automation of tasks and improved efficiency lead to reduced labor costs and increased productivity, further contributing to overall cost savings.

## **Improved Compliance and Audit Readiness:**

Digital accounting platforms facilitate compliance with regulatory requirements and streamline the audit process. Automated workflows and digital trails provide clear documentation of financial transactions, simplifying audits and reducing the risk of errors or discrepancies. Moreover, digital platforms often integrate with tax and regulatory bodies, ensuring compliance with relevant regulations and minimizing the risk of penalties.

## **Increased Accessibility and Flexibility:**

Digital accounting solutions offer increased accessibility and flexibility, allowing businesses to access their financial data anytime, anywhere. Cloud-based platforms can be accessed from any device with an internet connection, enabling remote work and flexible work arrangements. This flexibility empowers businesses to manage their finances efficiently, regardless of location or time constraints. However, there are several main problems with this process. One of the primary challenges is the need for significant investments in infrastructure and technology. The implementation of digital accounting systems requires substantial upfront costs, including the purchase of hardware and software, as well as the training of personnel. This can be a daunting task, especially for small and medium-sized enterprises (SMEs) that may not have the necessary resources. Furthermore, the rapid pace of technological change means that these investments may need to be repeated frequently to keep pace with the latest developments.

Another problem is the issue of data security and confidentiality. Digital accounting systems rely on the collection and storage of vast amounts of sensitive financial data, which can be a lucrative target for cybercriminals. The risk of data breaches and cyber-attacks is ever-present, and the consequences of such an event can be severe. This requires accounting firms and businesses to invest in robust security measures, including firewalls, encryption, and secure servers, to protect their data.

The formation of accounting processes on the basis of digital technologies also raises concerns about the potential for job displacement. The automation of routine accounting tasks, such as data entry and bookkeeping, may lead to job losses for certain professionals. This is particularly concerning for developing countries, where the accounting profession is often a significant source of employment. While it is true that digital technologies will also create new job opportunities, such as in the field of data analysis and interpretation, the transition period may be challenging for some individuals.

In addition, the reliance on digital technologies can also lead to a loss of traditional skills and knowledge. As accounting processes become increasingly automated, there is a risk that professionals may lose touch with the underlying principles and concepts of accounting. This could lead to a lack of understanding of the financial statements and reports that are generated by digital systems, which could have serious consequences for business decision-making.

Furthermore, the formation of accounting processes on the basis of digital technologies also raises issues related to standardization and comparability. With the proliferation of different digital accounting systems, there is a risk that financial statements and reports may not be comparable across different companies or industries. This could make it difficult for investors and other stakeholders to make informed decisions, and could undermine the integrity of the financial reporting process.

Another challenge is the need for ongoing training and professional development. Digital technologies are constantly evolving, and accounting professionals must stay up-to-date with the latest developments to remain competent. This requires significant investments in training and professional development, which can be time-consuming and costly.

The formation of accounting processes on the basis of digital technologies also raises ethical concerns. For example, the use of artificial intelligence and machine learning algorithms in accounting systems raises questions about accountability and transparency. Who is responsible when an algorithm makes an error or takes an unethical decision? These are complex issues that require careful consideration and regulation.

Finally, the formation of accounting processes on the basis of digital technologies also has implications for the role of the accountant. As routine tasks become automated, accountants will need to focus on higher-level tasks, such as analysis, interpretation, and advisory services. This requires a shift in mindset and skills, and may require significant changes to the way that accounting firms operate.

## **Conclusion**

In conclusion, the formation of accounting processes on the basis of digital technologies is a complex and challenging task. While there are many benefits to be gained from the adoption of digital technologies, there are also significant problems that must be addressed. These include the need for significant investments in infrastructure and technology, the risk of data breaches and cyber-attacks, the potential for job displacement, the loss of traditional skills and knowledge, issues related to standardization and comparability, the need for ongoing training and professional development,

ethical concerns, and the changing role of the accountant. By understanding these challenges, accounting professionals and businesses can take steps to mitigate them and ensure a successful transition to digital accounting processes.

It is essential for accounting professionals and businesses to stay ahead of the curve and adapt to the changing landscape of digital technologies. This requires a commitment to ongoing training and professional development, as well as a willingness to invest in new technologies and systems. Furthermore, regulatory bodies and professional organizations must also play a role in addressing these challenges, by providing guidance and standards for the adoption of digital technologies in accounting.

Ultimately, the formation of accounting processes on the basis of digital technologies has the potential to bring about significant benefits, including increased efficiency, accuracy, and transparency. However, it is crucial that these benefits are realized in a way that is responsible, sustainable, and equitable for all stakeholders. By acknowledging and addressing the challenges associated with digital accounting processes, we can ensure a bright future for the accounting profession and the businesses it serves.

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