

SECTION 10. MANAGEMENT ACCOUNTING AND BUDGETING

10.46299/ISG.2022.MONO.ECON.4.10.1

10.1 Digitalization of accounting how effective element of management

One of the main functions accounting is informational. Every enterprise seeks to obtain the necessary information with help of accounting. At same time, on the one hand, this information should be reliable, accurate and timely, and on the other hand, costs of obtaining it should be minimized. To achieve this goal, the company constantly strives to optimize organization of accounting. This process optimization is constantly connected with the use by accountants of inventions from all possible spheres human activity.

In recent years, development of information technologies in the world economy is proceeding at a very high pace. Therefore, in modern conditions, an accountant cannot imagine process of accounting without the use automation tools. The development of technology has led to the digital revolution, which has given to rise new concepts and processes. Such a concept is "digitalization". Along with it, such concepts as: "digital transformation", "automation", "data digitalization" and others should be analyzed. All these concepts are related to modern management technologies.

The word "digitalization" means penetration of digital technologies into all spheres of social life. Or in other words it also means "digitalization".

Also, the word "Digitalization" has become widely used in the Ukrainian language and, according to Wikipedia, means a neologism that was found in official press materials and speeches of various officials. Dictionary of modern Ukrainian language and slang "Myslovo" calls it the word of 2019. The given meaning means "changes in all spheres of social life associated with use the digital technologies".

Digitalization in a broad sense, according to K.A. Kuprinoi, means the transformation of information into digital form. However, using this approach, it is possible to equate "digitalization" with "automation", but these concepts are different.

The most significant difference between digitalization and automation is that automation can be partial or gradually change the existing structure of public services, business services and other spheres social activity. And digitalization is associated with a change in the approach to business itself, state, and social life in general.

In a broad sense, digitalization, according to scientists O. Yu. Gusev and S. V. Legominov, means the transformation information into digital form [509].

According to O. Lytvinov, "digitalization is a phenomenon that causes successive transformations of the socio-cultural code, united by a common vector of development." The researcher connects digitalization with social communication and analyzes the change of social institutions and subsequent change of human development in this regard [510].

As for digital transformation, the broadest concept means digital penetration in circumstances where changes are systemic in nature. And digitalization is a narrower concept, which means reorganization of the processes with the help of automation and digital communication. However, some dictionaries interpret digitalization as a simplified form of the term "digital transformation".

In the world, there are two main directions in which digitization is moving, namely increasing productivity and creating completely digitized enterprises in the future. The use of new technologies in business reduces overall costs, which increases profits. It is thanks to digitalization that companies realize that they are able to improve in their field. Thus, less effort and costs are required, as digitalization helps to overcome some barriers and it is easier to move a new level of enterprise management. It is thanks to digitalization that the conduct of business undergoes radical changes for the better. At this stage, many companies have the opportunity to become leaders with minimal costs, just by digitalization production.

The second direction of digitalization is "digital enterprises", that is, they are created thanks to cloud technologies and exist on the basis remote work. In the economy, it is becoming increasingly difficult to survive if a company is not a "digital business". That is why more and more enterprises are turning to cloud services.

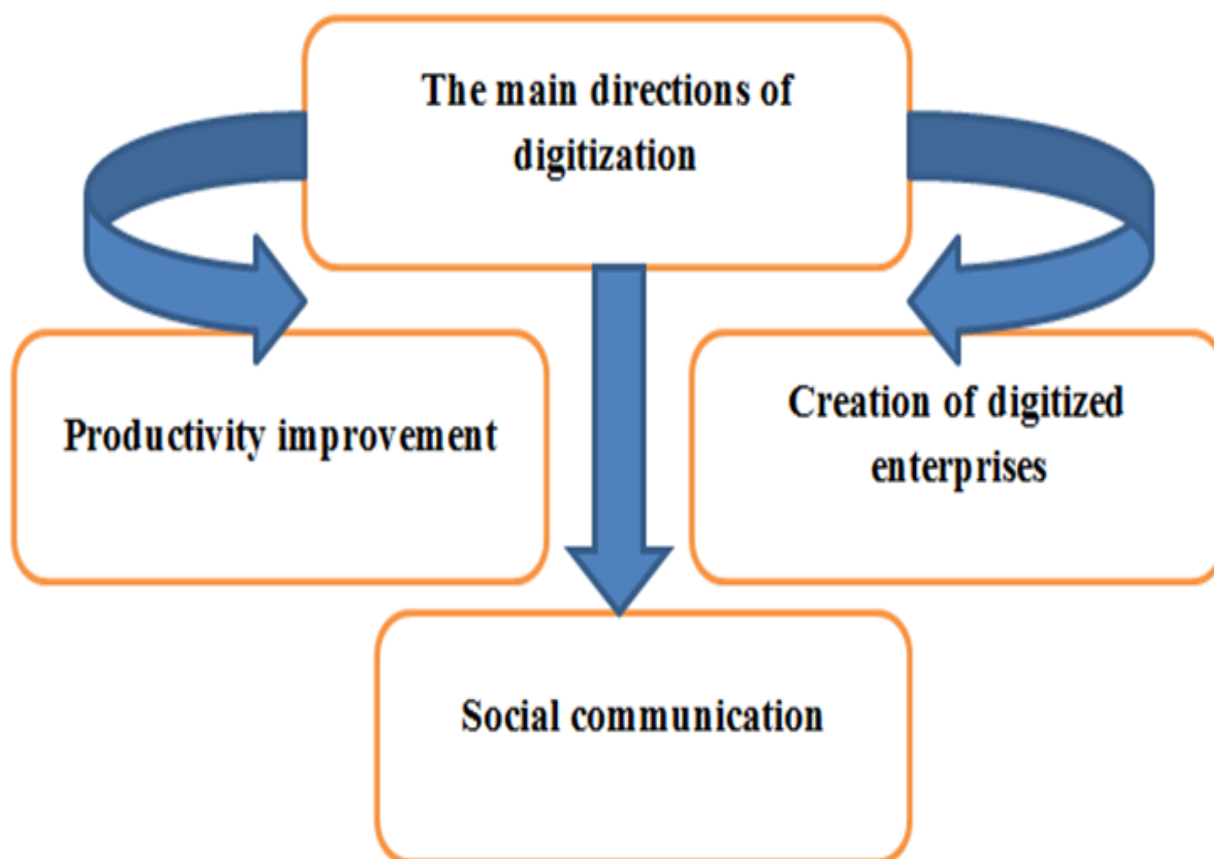


Fig. 1 Directions in which digitalization moves

Considering the use digitalization at the level of public administration, it can be seen that it leads to a reduction in public expenditure on the maintenance of civil servants and a reduction in the level corruption in the state. Transparency, a low level of corruption, free and equal access to public services and public control over the budget and tenders, which leads to the improvement citizens' lives, a positive reputation of the state in the world and even greater influence on foreign audiences.

If we turn to the origins of digitalization, then Singapore became the first country in the world to operate an electronic government. Estonia, Georgia and a number of Scandinavian countries have also already digitized public services. Estonia and Georgia are advanced states in the digitalization of government processes, where it has been possible to vote in elections online since 2005. "The electronic voting system is actively used in the USA and is being implemented in the EU countries".

In Ukraine, we have also implemented a document digitalization system, an example of which is Diya, where electronic documents such as Ukrainian and foreign passports, vaccination certificates, driver's licenses, etc. are entered. The Zelenskyi Government has also set itself this goal. Electronic country, or e-country, is today's challenge [511].

The first steps towards digitalization processes have already been taken. This is evidenced by the digitalization of the work public services, control over public finances, electronic auctions, and online services. Currently, more than 100 online services provide an opportunity to receive high-quality service without human intervention. Since 2019, 76% of executive authorities have posted data on the Unified State Open Data Web Portal data.gov.ua; more than 120 nationwide e-services and 10,000 online registered enterprises have been implemented. The annual growth of the IT sector was recorded at the level of 22%.

The need for digitalization is also determined by the desire to constantly increase the level of competitiveness, which in turn is a prerequisite for the survival and development business organizations in the conditions of economic development. It is digitalization that provides enterprises with such competitive advantages as: provision of additional product value through quality service; high level of communication with clients and target audience; improving the company's image through quick communication with clients; price reduction through process automation and digitalization digitalization of business processes; transparency the company's internal and external processes; increasing customer loyalty to the company.

In addition to the advantages of using digitalization, there are also some disadvantages. Consider the advantages and disadvantages the introduction of digitalization (figure 2).

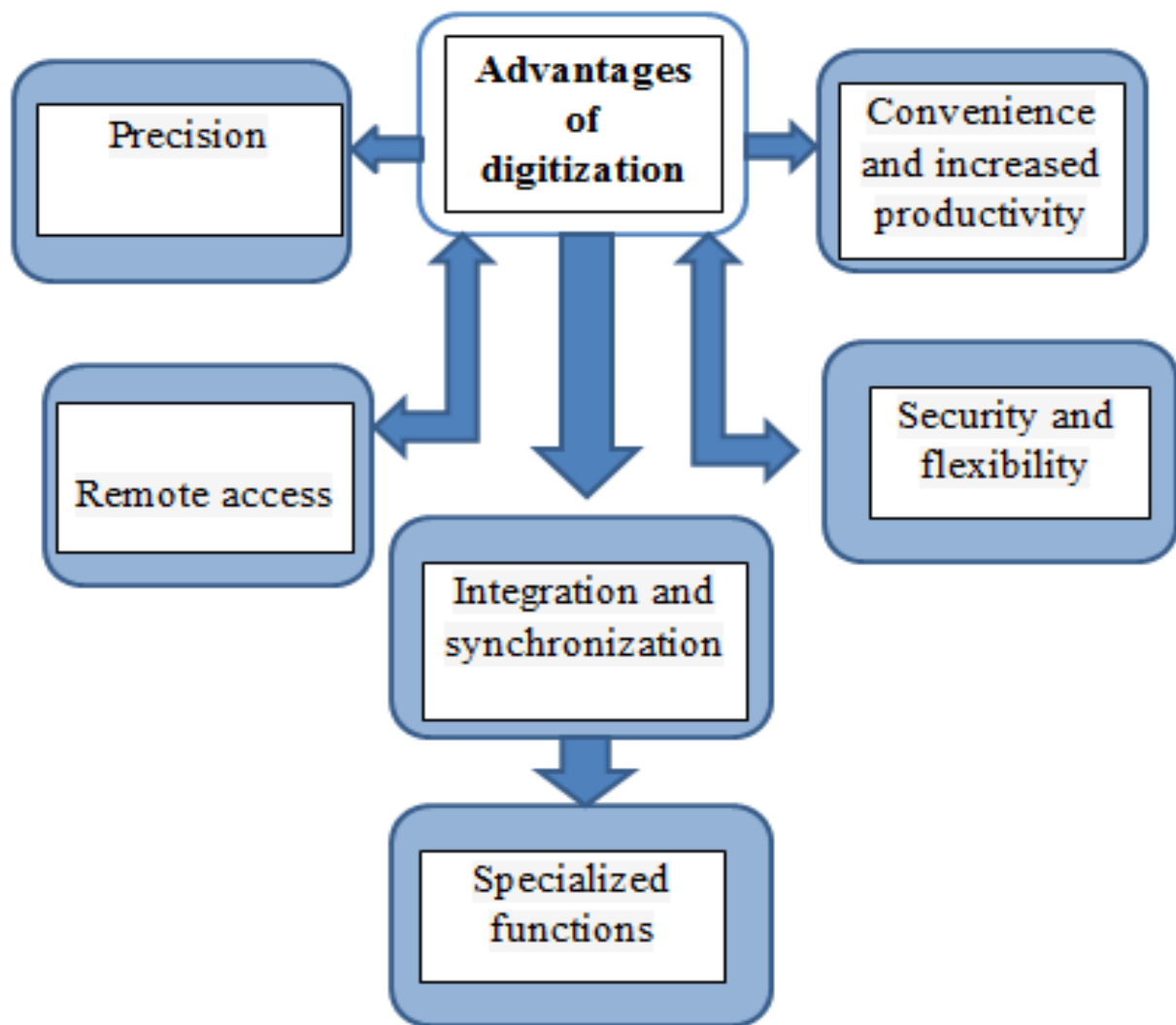


Fig. 2 Advantages of digitalization

The process of using digitalization in the organization of accounting is extremely important.

In addition to the advantages of using digitalization, there are some disadvantages that can hinder these processes (figure 3).

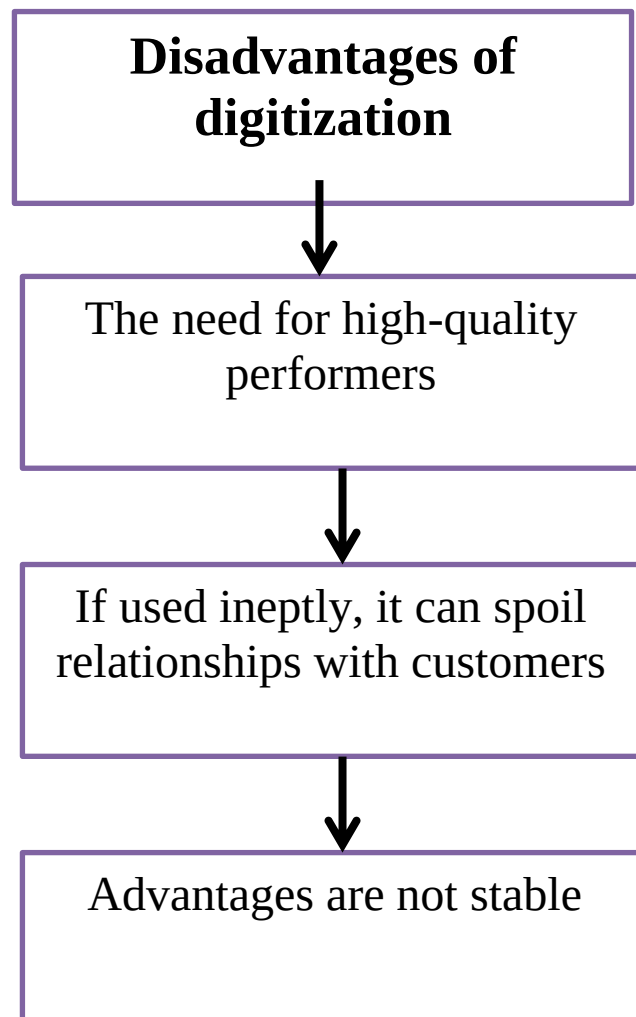


Fig. 3 Disadvantages of digitalization

"Digitalization of accounting" is aimed at formation necessary theoretical knowledge and practical skills in the field operation and use of computer systems and technologies and the possibilities of their use in accounting for the digitalization of accounting functions.

In the process of researching the state and prospects for the development digitalization of accounting in Ukraine, a survey was conducted of 76 large and medium-sized enterprises (the number of employees from 50 to 1,000 people, among whom 26% are engaged in agriculture; 22% in trade; 13% in pharmaceuticals; 18% belong to of the budget sphere and all others - representatives various types of business), which made it possible to draw the following conclusions: accounting is

more digitalized than other business processes due to the automation of payments and reporting [512].

The implementation of digital technologies in accounting accounts for an average of 43.4% (in terms areas of implementation). Modern challenges of the globalized economy encourage the further spread information technologies aimed at increasing the productivity accounting service and, accordingly, the reliability of accounting and analytical data.

The results of digital accounts are effective reconciliation tools that allow you to easily track errors in transactions and processing, as well as detect theft and fraud.

Digital accounting also allows you to receive consultations in real time. More and more accounting professionals are abandoning the advice of tax specialists and using opportunities provide advice to entrepreneurs by consulting companies in real time. Thanks to the digital accounting system, the data remains relevant.

Using the available data, a financial expert can analyze numbers and in real time suggest the easiest and fastest way to improve them. While some accountants may charge a per-minute fee for their work, others charge a flat fee for quarterly or monthly consultations and phone calls to advise on the development of a struggling business. It is advisable to form the methods used by modern accountants when switching to digital technologies (table 1).

Table 1

Accounting procedure methods using digital technologies

№	Methods	Content
1	Forecasting and reporting	When it comes to providing accurate financial plan indicators, a modern accountant can use cloud services to quickly collect the necessary documents and data - financial reporting. There is an opportunity to spend more time on creating detailed and analytical reports on the financial indicators of the institution and to develop optimal ways of business growth in the conditions of the digital economy

Continuation of table 1

2	Planning and budgeting	Planning and budgeting is a way to optimize successful business operations. With automatic payment and invoicing features in cloud-based financial software, today's accountants can manage these processes more efficiently. This frees up time for them to identify areas where the business is losing money and find more effective financial planning and budgeting methods.
3	Data verification	Document verification can be a time-consuming task, but in the digitalization of accounting, accountants can do it accurately and efficiently with the help of cloud-based accounting software. They may also perform internal audit procedures to double-check that the entire accounting and reporting process remains accurate and reliable. Today's accountants can succeed in their work with greater confidence and accuracy and lead the company to better business results.
4	Decision-making	In the conditions digitalization of accounting, the accountant is the best specialist who can give useful advice before making important management decisions. With cloud-based accounting software, accountants can easily access past accounting data for quick and in-depth analysis that enables fast business decisions

Therefore, in the conditions of nanotechnology, in order to maintain the competitiveness of the enterprise, it is necessary not to be afraid to use the possibilities of digitalization in all possible directions and forms, including in the organization of accounting.

In the conditions of digitization in accounting, the accountant is the best specialist who can give useful advice before making important management decisions. With cloud-based accounting software, accountants can easily access past accounting data for quick and in-depth analysis that enables fast business decisions.

Digitalization of accounting and its integration into the company's information system is a requirement of the modern digital era. The information system is aimed at increasing the efficiency company's activities, strengthening its competitiveness and turning accounting into an art that "ensures the success" of the company.

And the conditions for the development of digitization of the accounting organization are the involvement of highly qualified specialists in this field, the development of outsourcing relations, freelancing, and the use of cloud technologies.

The use of cloud technologies will make it possible to concentrate technical computing resources, IT specialists and software in a common cloud, which in turn will make it possible to save money and increase the transparency of accounting, reduce the time-consuming nature of the reporting of economic entities and control measures.