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ORGANIZATION OF THE DIGITALIZATION PROCESS OF THE ACCOUNTING SYSTEM

The digitalization of all spheres of the global economy has become one of the contemporary trends in the development of most countries and a determining factor in business success. The primary elements of the digital economy are information, knowledge, and the ability to use them effectively.

The rapid development of specialized accounting, auditing, and management software is a prominent trend. New information technologies (IT) are continually entering the market, significantly transforming the entire information landscape. While these processes present both opportunities and challenges, the potential for digitizing accounting and control processes is expanding. However, the implementation, utilization, and updating of these technologies within specific enterprises can pose difficulties. Practical implementation is observed in business process management systems like ERP, real-time analytics for transactional accounting (RTA), electronic data interchange (EDI) for data exchange from source to destination, extensible business reporting language (XBRL) for financial and tax reporting across diverse business domains, cloud computing, blockchain, big data, and soft digital infrastructures [1, p. 148], facilitating both partial and complete digitalization of enterprise accounting and control frameworks.

The ACCA's Digital Horizons report (2023) [2] indicates that business leaders, accounting, and auditing professionals (on average, over 75% of respondents) agree that the implementation of IT technologies contributes to achieving organizational goals, namely: flexibility, product and service quality, regulatory compliance, and the

achievement of sustainable development goals. This necessitates the formation of a company's "digital horizon" in the technological aspect and a primary focus on developing modern professional skills among specialists for future work in a new IT environment.

The implementation of the accounting digitalization process requires an exploration of its practical aspects and organizational stages. Table 1 outlines the essence of the organizational stages of transforming the accounting system into a digital format.

Table 1

Organizational Stages of Accounting System Digital Transformation

Stages of transformation	Elements of digital accounting system transformation
Planning	<p>Development of a Digital Transformation Strategy for the Accounting System. This stage involves assessing the level of digitalization of core business processes, evaluating the efficiency of the existing accounting system, and conducting a cost-benefit analysis of comprehensive digital accounting implementation. Development of the terms of reference (TOR). Specification of software requirements and assessment of existing software suitability for new operational conditions. This involves defining security requirements, ensuring compliance with relevant regulations, identifying user groups, and establishing access hierarchies. Additionally, the potential for integration with other internal information systems and compatibility with external users (such as government agencies and independent auditors) will be considered.</p> <p>Modeling the implementation process.</p> <p>Determination of the main executor (the work is carried out by your own IT department or the supplier/dealer of a particular software product).</p> <p>Development of a network schedule.</p> <p><i>Note.</i> For small and medium-sized enterprises (SMEs), a cost-benefit analysis is conducted to assess the feasibility of implementing an in-house digital accounting system compared to outsourcing accounting services..</p>
Development and testing	<p>Aligning the organizational structure, employee qualifications, and primary and reporting document forms with the TOR. Adjusting implementation protocols and modifying the TOR if needed.</p> <p>Developing and configuring technical, software, informational, methodological, and organizational support tailored to the enterprise's specific requirements. Conducting a pilot implementation to evaluate the system's performance.</p>

Practical implementation and updating	Modernization and algorithmic optimization of accounting processes based on the latest digital technologies; adjustment of primary document templates, accounting registers, and reporting documents; refinement of access rights and verification procedures; ensuring uninterrupted operation and data backup, monitoring compliance with operational technology protocols, optimization, and updating of IT environment components.
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The primary objective of the planning phase for digitalizing an accounting system is to define the goals of its transformation into a digital format, assess the adequacy of financial resources and other assets (such as human resources), and determine its economic feasibility. During the practical implementation and updating of digital technologies, all the advantages of a modernized (fully digitalized) accounting system are realized, including: increased quality and completeness of accounting and reporting information; timely processing and transmission of data; cost reduction; the ability to identify distortions and fraud, and more. Ensuring information security and taking appropriate measures to counter cybercrime is crucial.

We concur with the researchers who argue that the ultimate goal should not be merely to "transfer control and accounting processes into electronic format" but to create a SMART accounting system, a "smart" accounting of business transactions with effective tools for controlling and managing the business entity, automating all aspects and spheres of the enterprise's activities" [1, p. 149].

The implementation of accounting and control digitalization within enterprises should be organized in a way that ensures compliance with the fundamental characteristics of information, such as timeliness, accessibility, transparency, accuracy, objectivity, reliability, completeness, confidentiality, and security. This approach enables the timely adoption of informed management decisions, the timely identification and prevention of risks (operational, financial, legal), and ensures high efficiency and competitiveness of the enterprise.

The effectiveness of digitalizing an enterprise's accounting system necessitates a comprehensive approach to the formation of the enterprise's IT environment,

encompassing IT applications, supporting IT infrastructure, IT processes, and the corresponding human resources.

References

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