European Journal of Business Startups and Open Society

Vol. 2 No. 3 (2022): EJBSOS ISSN: 2795-9228

www.innovatus.es

# Implementation of Digital Technologies in Accounting and Financial Reporting Processes

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**Abstract:** This article discusses accounting methods, how they are transformed in the digital economy. With the transformation of accounting methods, the algorithm for their implementation in the practical activities of economic entities is changing as a result of the formation of financial statements - online using innovative digital technologies.

**Key words:** accounting methods, transformation, digital economy, financial reporting, information, primary documents, assessment, and calculation.

In the context of the integration of the Republic of Uzbekistan into the world economy, the use of modern information technologies today is a vital necessity. For sustainable development, we must deeply master digital knowledge and information technology, which will enable us to follow the shortest path to achieve all-round progress. In the modern world, digital technologies play a decisive role in all areas.

In the conditions of the digital economy, it has become available to compile accounting (financial) statements - online, by which we mean the statements generated and published on the official website of the economic entity at any time after the registration of each business transaction using the double-entry method directly in the reporting articles. At the same time, financial reporting items simultaneously play the role of synthetic accounting accounts. Analytical information about accounting objects is entered into the system separately on special cards generated for each object when registering business transactions related to the corresponding objects. When you make a posting in a financial statement item, an analytical card automatically appears on the screen, which must be filled out for each accounting object participating in the operation. A similar analytical accounting algorithm has already been implemented in information systems for storing and processing information ERP (Enterprise Resource Planning), in particular, in the German SAP program (Systems Analysis and Program Development). Users of reporting on the official website of the company they are interested in online will always be able to see the current accounting (financial) statements, as well as analytical information for each reporting item. I draw your attention to the fact that the analyzed technologies do not lead to a refusal to store accounting information, but, on the contrary, provide such storage in automatic mode. When you click on an item of financial statements online, a request appears on the screen in which context you want to receive analytical information. You then make your choice and the information you requested appears on the screen. For example, under the item “Fixed assets”, you can request information about their composition and inventory numbers, useful lives, sort accounting objects by initial or residual value, that is, get any analytical information in the context you need.

The purpose of the present study is to assess the transformation of the content of accounting methods under the influence of innovative digital technologies introduced into the accounting

process. The research methodology is based on the dialectical method, historical analysis of economic phenomena, as well as on the empirical method.

Based on the observations of phenomena in the current practice, reporting will be generated on the basis of digital cloud technology, with the aim that all accounting workers who process primary documents and form accounting records on them in different areas of accounting (settlements: with suppliers, buyers, payroll personnel and other transactions, with the budget, with extra-budgetary funds, with accountable persons, with other debtors and creditors; operations with a bank, cash desk, and others), could simultaneously change financial statements after a group of typical transactions was completed in the accounting area entrusted to them.

In the example of financial reporting, information will be presented in the form of four main accounting reports and analytical information for each reporting item. That is, the information will not be stored on accounting accounts, but in a repository created on the basis of innovative digital technologies. Information in the cloud can be updated by any user who has access to the cloud, and only in those aspects in which this access is open.

The moment of registration of information of primary documents in accounting will simultaneously be the moment of formation of financial statements or, more precisely, the moment of changes in reporting items in a continuous mode. Financial statements will be generated already at the moment of continuous, continuous and documented registration of accounting and analytical information, and not after this date.

Accounting will turn into a way to register useful information directly in the articles of the accounting (financial) statements. In turn, any accounting entry will turn into a record that forms balance sheet items and transcripts for them at the same time.

Consider accounting methods, how they are transformed in the digital economy. Under the transformation of accounting methods, we mean a change in the algorithm for their implementation in the practical activities of economic entities as a result of the formation of financial statements - online using innovative digital technologies, and in some aspects, also a change in their content.

In modern accounting science, methodologists have established 8 pair wise related elements of the accounting method, which include:

1 and 2: documentation and inventory;

3 and 4: evaluation and calculation;

5 and 6: bills and double entry;

7 and 8: balance summary and reporting.

Let us further consider how some of the methods mentioned above will change as new innovative digital technologies develop.

First of all, the transformation of accounting methods in the digital economy will affect such elements as: accounts and double entry and balance sheet generalization.

When compiling reports - online using digital technologies, the method of accounts and double entry will be merged with the balance sheet generalization method, since the registration of new information coming from primary documents will occur simultaneously with the preparation of financial statements.

With this method of reporting, only 6 pair wise interconnected elements of the accounting method will be preserved:

1 and 2: documentation and inventory;

3 and 4: evaluation and calculation;

5 and 6 simultaneous registration and generalization of information in the accounting (financial) statements.

So, for example, the accounting entry “Materials received from suppliers”, currently recorded in the accounting accounts in the form of the following account correspondence:

Debit 1000 "Material Accounts"

Credit 6010 "Accounts payable to suppliers and contractors" is transformed into the following entry in the balance sheet items:

Debit Balance sheet, item "Inventories"

Credit Balance sheet, item "Accounts payable"

In this case, there is a close connection between the methods that in the digital age merge into a single method, namely: the method of accounts and double entry and the method of balance generalization.

In our opinion, accounts currently represent temporary systematized storage of accounting information. The retention period is determined by the moment when information is transferred from the accounts to the financial statements. In the context of the use of digital technologies, the moment of registration of business transactions and the moment of reflection of information about them in the financial statements are combined into one. In this aspect, the content of the elements of the accounting method changes: out of 8, 6 remain.

Digital technologies make it possible to abandon storage accounts by compiling reports - online in the context of using information systems for storing and processing information ERP (Enterprise Resource Planning). Thus, the storage of information will be provided automatically in digital mode. Only primary documents confirming the completion of transactions will have to be stored separately. At the same time, digital technologies, sooner or later, will lead us to a fully electronic document management, and during this period, primary documents will lose their paper form and will be stored only in electronic form in capacious digital storages.

Returning to the transformation of other accounting methods in the digital economy, let's focus on the inventory that is, checking the compliance of the presence of property with registered credentials. Currently, there are cases of mandatory inventory, one of which is the inventory of property and liabilities (calculations) before the preparation of annual accounting (financial) statements. This approach to conducting an inventory does not fully correspond to the formation of reporting on the principle of "online" in the digital economy, since the moment of compiling the annual accounting (financial) statements turns into a non-stop process. This means that the inventory in the "online" mode should be in the future, in our opinion, transformed into a continuous algorithm.

It is known that the block chain technology now allows to keep inventory records online, for any, necessary for various purposes, which means that the task of an instant (on a given date) inventory of property and obligations can be solved if it is correctly set to the developers of the relevant innovative digital technologies. The online electronic warehouse is available at any time from the receipt of inventories to their release into production, sale or deregistration due to impairment. Therefore, on the inventory date, you can simply get an extract from the online warehouse confirming the actual possession of the property at that time. The same goes for obligations.

The benefits of digital inventory are clear: from a time-consuming, time-consuming process that shuts down a warehouse for several days, this method is transformed into a fast, less labor-intensive process.

Thus, the introduction of digital technologies in the processes of accounting and financial reporting significantly changes not only practice, but also in some aspects the theory of accounting, in particular, as justified above, the content of the elements of the accounting method is transformed and the algorithm for their implementation in practice is modified: and double entry

merge with the balance generalization; document flow is converted into electronic; inventory becomes a quick and less time-consuming process.

In conclusion, we can say that the trends in the formation of the digital space, the creation of an ecosystem of the digital economy, structural changes in economic processes are making significant adjustments to the development and prospects of the accounting profession. In turn, the information generated in accounting has an increased impact on the analysis of the economic situation and decisions made by economic entities. The accounting system is becoming not only a source of a valuable resource of modern society - information, but also an integrated information technology, which increases the susceptibility of accounting to the processes of digitalization of the economy.

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