

Improving accounting and financial reporting in the context of the formation of a digital economy

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Annotation

This article is devoted to the fact that the expansion of scientific research has allowed mankind to achieve incredible results, at present, robotics has become the basis of the future, and artificial intelligence has become a tool for making managerial decisions. The science of accounting and reporting also did not stand aside and has undergone significant changes since its inception, it has been continuously formed and improved over a long period of time.

Keywords: accounting, digital economy, financial reporting, information technology, digital accounting.

Relevance of the topic

Historical research in accounting and reporting has matured in recent decades in terms of theoretical debate, methodological complexity, and scope, which indicate an expansion in the range and focus of research. Currently, accounting is being reformed, alternative information technologies are being developed as part of the Digital Economy of Uzbekistan program. At the same time, there is an imbalance between the needs of users of financial statements and the objective capabilities of the current accounting and reporting system. In this regard, the formation of financial statements that will meet the requirements of the modern economy and the future is very relevant. In the context of the state focus on the digitalization of the economy, it is advisable to study the essence and content of accounting and reporting in order to change and determine the vector of their further development, bringing this system in line with the objective conditions for the development of the modern and future economy.

At the present stage, there are significant changes in the current system of accounting and reporting, international, state and industry standards are being developed and implemented

with the involvement of non-state subjects of accounting regulation, which increases the practical orientation of these standards and their applicability for a wide range of users.

At the same time, the study of scientific literature testifies to the unresolved nature of many problems in the field under study. In particular, there is no systematic approach to studying current trends in the development of accounting and reporting and their possible consequences, including those influenced by the digitalization of the economy. Many of the existing studies in this area have lost their relevance. The current financial reporting system is not sufficiently informative, which does not allow in the digital economy to obtain all the necessary data for making informed management decisions.

The transition to digital accounting and the formation of digital reporting leads to the development of new formats, models for reporting information. New formats for presenting data, the possibility of disclosing additional information in financial statements are covered in the works of M.A. Gordovoy, T.Yu. Druzhilovskaya and E.S. Druzhilovskaya, A.E. Kovaleva, T.V. Kozlova and E.S. Zambrzhitskaya, V.V. Priobrazhenskaya, O.V. Rozhnova, I.R. Sukharev and other scientists.

The relevance and insufficient elaboration of a number of issues on the formation of financial statements in the digital economy, the unresolved pressing problems in terms of linking accounting accounts with financial statements, their fundamental importance for the operational formation of financial statements led to additional research that reveals the topic of the article.

The object of the study were economic entities that submit financial statements in accordance with state accounting standards.

The subject of the study is a set of methodological and practical aspects of the formation of financial statements in the context of digitalization of the economy.

The purpose of the study is to study the current state of the formation and disclosure of information in financial statements by economic entities, to determine the main directions for its improvement under the influence of the digitalization of the economy and to propose new formats of information disclosure to meet the needs of different user groups.

In accordance with the goal, the following tasks are solved in the work:- to explore the evolution of the science of accounting from the position of its dialectical development, to identify the prerequisites for the emergence and improvement of this science;- consider the historical and evolutionary aspect of the formation and development of financial statements in order to predict the vector of its further development;- identify the main trends in the development of accounting and reporting at the present stage of economic development and determine the main directions of changes;- to determine general approaches to the formation of the current system of financial reporting, to identify the main directions for its improvement;- to study the current state and prospects for the development of information technologies, the possibility of their application in accounting for the purposes of financial reporting;- explore the main directions for the development of accounting and reporting in the context of the digitalization of the economy and present the theoretical and methodological foundations of the future accounting and reporting system;- assess the current state of disclosure in the financial statements of organizations in accordance with the requirements of accounting regulations and identify problem areas;- to develop new financial reporting models oriented to meet the needs of different user groups and information disclosure formats.

The theoretical basis of the study was the scientific works and publications of foreign and domestic scientists on the theory and methodology of accounting and reporting, International Financial Reporting Standards, government regulations governing accounting and reporting.

Research methods

Dialectical method, analysis and synthesis, induction, deduction, systematic approach to the analysis of the object of study, modeling. To obtain the evidence base of the study, methods such as observation, classification, grouping and generalization of materials, detailing, comparative analysis of theoretical and practical approaches and views, graphical and other methods were used. When processing digital material, software products of domestic and foreign manufacturers were used.

The scientific novelty of the study

lies in substantiating the theoretical and methodological provisions, determining the main directions for the development of accounting and reporting in the context of the digitalization of the economy, developing practical recommendations for improving the formation of financial statements and information disclosure by economic entities, and proposing new information disclosure formats.

The modern development of accounting and reporting, their theory and methodology are made up of many theories, concepts, paradigms, principles and postulates, often contradicting each other. At present, there is a need to revise the content and methodological approaches of the accounting and reporting system in connection with: - adaptation of the current accounting and reporting system to modern realities, including its reform in accordance with modern requirements; - implementation of the program "Digital Economy of Uzbekistan"¹; - increasing user needs for accounting and reporting data; - wide use of modern information technologies in the processing of accounting information; - discrepancy between the theory and methodology of accounting for solving problems that arise in practice.

The organization and maintenance of accounting in the Republic of Uzbekistan is regulated by legal acts, which, depending on the purpose and status, consist of four levels.

1st level: Legislative acts, decrees of the President of the Republic of Uzbekistan. and Government Decrees. These include: the Law "On Accounting" dated 08/30/1996 and in a new edition was adopted on 04/13/2016 No. 404 Law of the Republic of Uzbekistan; Civil Code of the Republic of Uzbekistan; and other laws; Decrees of the Cabinet of Ministers of the Republic of Uzbekistan "On the state program for the transition of the Republic of Uzbekistan to the system of accounting and statistics adopted in international practice" dated 08.24.1994 No. 433 (change dated 05.24.1996 No. 193) and others.

2nd level: Accounting standards, which are accounting provisions, for example, NAS-1 - "Accounting policy and financial reporting" (registered by the Ministry of Justice of the Republic of Uzbekistan No. 474 dated August 14, 1998), NAS-12 - "Accounting for financial investments" (registered by the Ministry of Justice Republic of Uzbekistan No. 596 dated January 16, 1999) and others. Currently, 23 NAS have been developed.

¹ Decree of the President of the Republic of Uzbekistan, dated 05.10.2020 No. DP-6079 "On approval of the "digital Uzbekistan-2030" strategy and measures for its effective implementation"

3rd level: Instructional and methodological instructions: instructions, regulations of the Ministry of Finance of the Republic of Uzbekistan and sectoral ministries and departments.

4th level: Internal documents of the organization: accounting policy; working chart of accounts; accounting information processing technologies and others.

All four levels make up a common interconnected system of regulatory accounting.

Accounting is the source of data for statistical groupings and summaries.

The tasks of accounting are:

- formation of complete and reliable information about the activities of the organization and its property status;
- ensuring control over the availability and movement of property, the use of material, labor and financial resources;
- timely prevention of negative phenomena in the economic and financial activities of the enterprise;
- identification of on-farm resources to ensure the financial stability of the organization;
- providing information necessary for internal and external users of financial statements.

Digitalization has an impact on a significant improvement in both the characteristics of accounting information and the possibilities of its application.

Studies of the results of the digitalization of accounting at the present stage through the analysis of the software used in this area, databases and the principles of their configuration and construction have shown that the digitalization of accounting has a significant impact on two of its aspects simultaneously:

- The technology of accumulating (receiving) the necessary information, storing it, and subsequently transferring it to interested users - information technologies in accounting
- Methodology for systematizing information, that is, the essence of accounting itself or accounting methodology (Fig. 1).

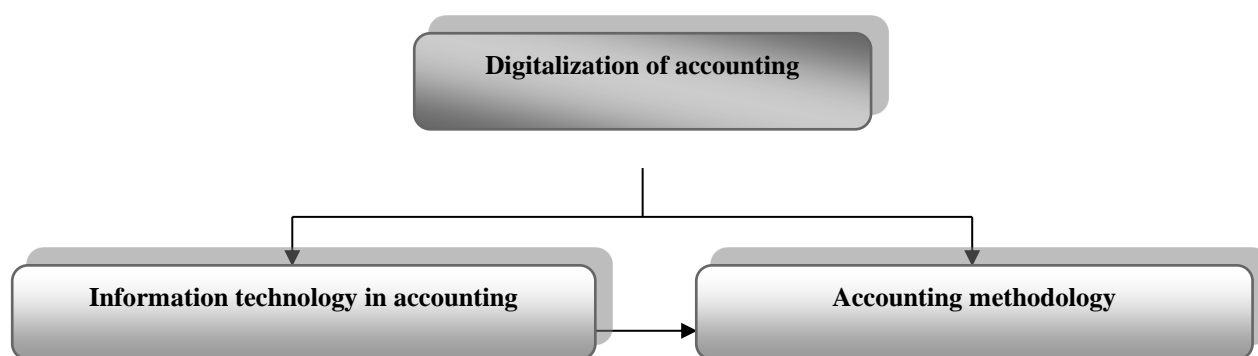


Figure 1. *The impact of digitalization on aspects of accounting.*

Technologies for accumulating the necessary information, storing it and transferring it to interested users are modern information systems that are mainly implemented through the creation and maintenance of databases. Information systems are constantly being improved and their development can be considered: from the standpoint of the development of technology, the emergence of a new technical base that contributes to the development of new information needs; from the standpoint of improving the automated information systems (AIS) themselves.

The accounting method is based on the simultaneous application of the following accounting technologies (methods) that have been formed and developed historically:

- Methods of primary observation: inventory, documentation
- Methods of cost measurement: calculation and evaluation
- Methods of systematization and ordering: accounting accounts and double entry
- Generalization methods: balance sheet and accounting (financial) statements.

The expediency of developing a new concept, theoretical provisions and practical recommendations for the modernization of accounting is determined by a number of factors: the allocation of information and as a key factor in creating value, a focus on non-financial target priorities, the development of hybrid and intangible forms of capital, the formation of a global digital environment, the virtualization of units of value, assets, liabilities and related transactions (Fig. 2). These factors have a significant impact on the accounting methodology, principles, procedures, content orientation and characteristics of the information product, internal structuring and allocation of types and clusters of accounting, definition and systematization of accounting objects, development of criteria for their identification and taxonomy, metrics and descriptors.

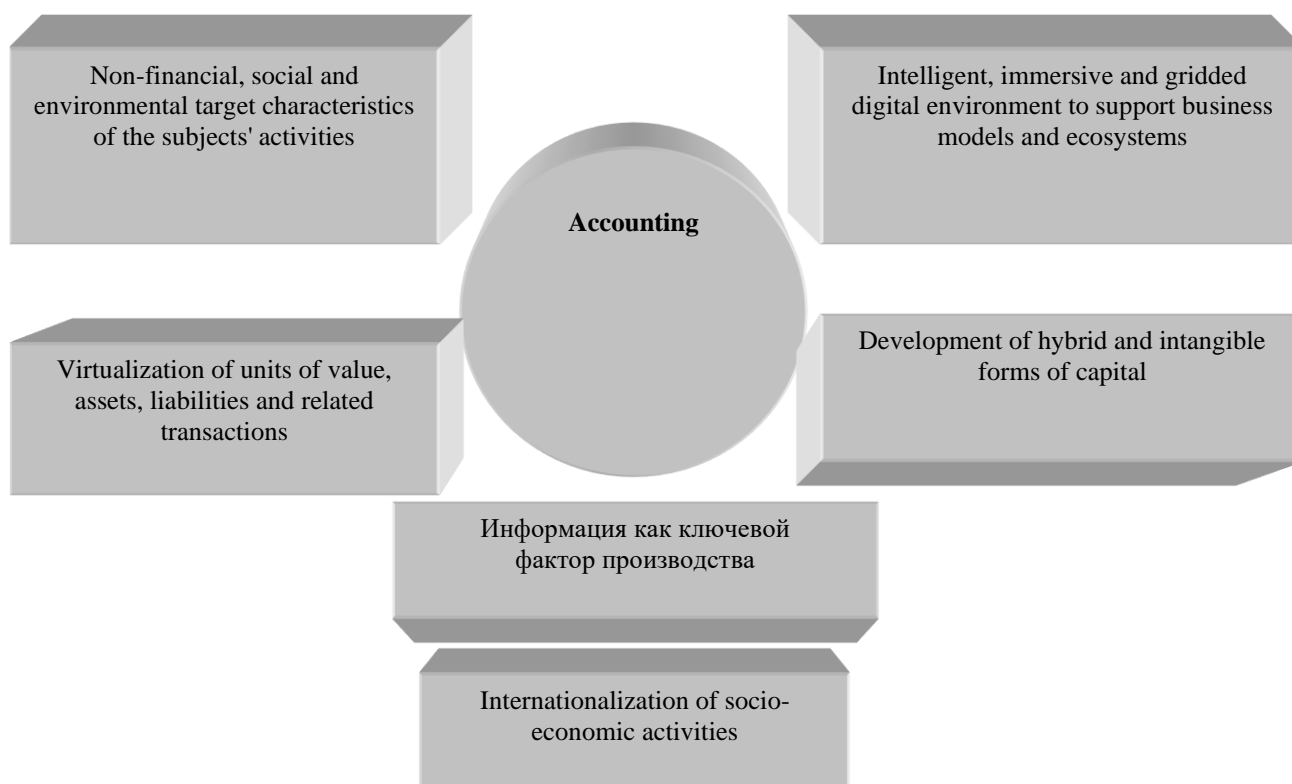


Figure 2. Main factors influencing the development of accounting in the digital economy.

Accounting objects in the information society and digital economy are also undergoing significant changes. First of all, this is due to the fact that there is a gradual expansion for reporting users of the range of indicators that characterize not only economic efficiency, but also environmental safety, social responsibility of business, strategic focus, consistency and quality of corporate governance, the presence of organizational, innovative, human, reputational capital and other non-financial assets that provide the basis for value creation. Figure 3 shows new types of non-financial accounting objects in the information economy.

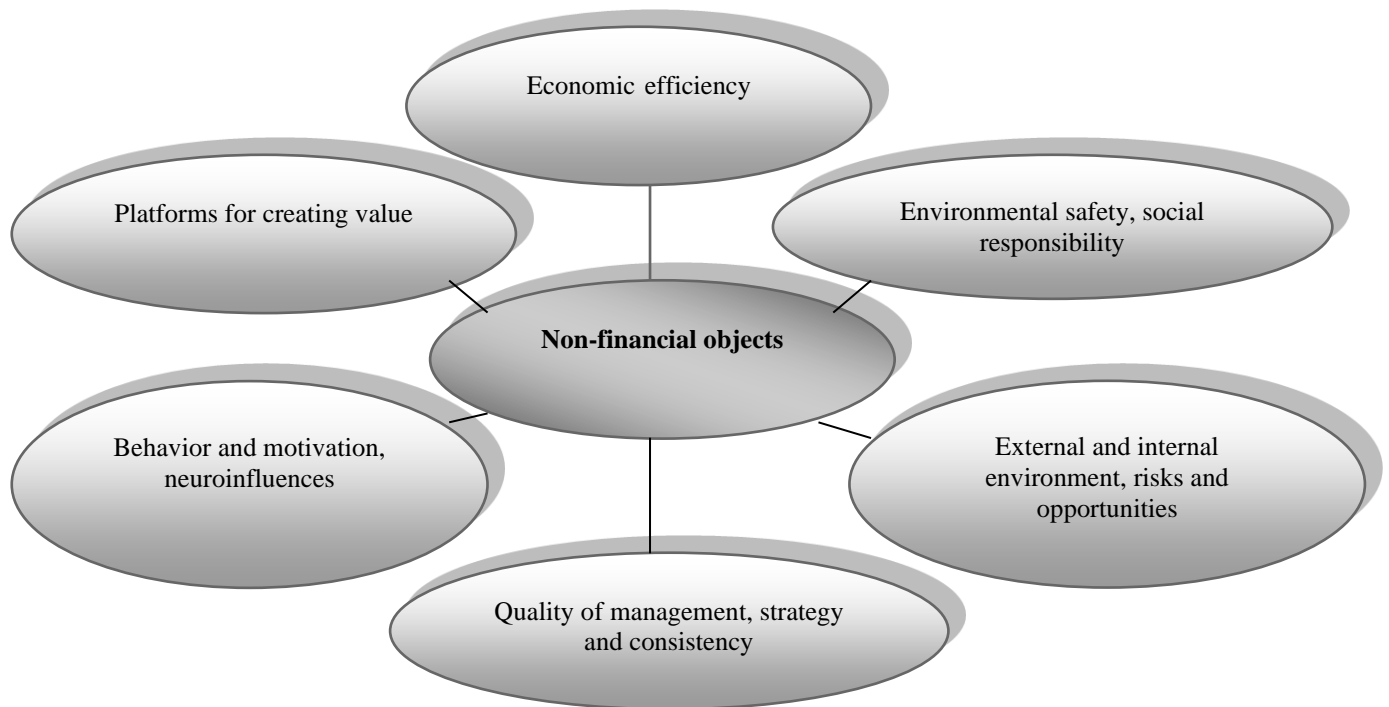


Figure 3. *New types of accounting objects in the information economy*

Conclusion

1. The proposed conceptual accounting model assumes an integrated approach, which is ensured by the implementation of a number of interrelated elements: identifying the problems of positioning accounting in the modern information economy and assessing the prerequisites, as well as the possibility of changing the accounting paradigm; modernization of the methodology and methods of accounting, taking into account the emergence of new accounting objects in the context of digitalization and social orientation of business; development of new types of accounting; improving the content of reporting based on new technologies and formats for its presentation; adjustment of basic regulatory documents and creation of the necessary infrastructure (personnel, educational and information platforms).

2. In the conditions of the information society and the digital economy, a number of prerequisites arise for the formation of a new accounting paradigm, however, the ideas of scientists, defined in the scientific literature as new accounting paradigms, are mostly just concepts, research approaches, and the development of various types of accounting.

3. The key factors of the influence of digital technologies on the methodology and methodology of accounting, the possibility of their expansion and modernization are identified. In the context of the development of hybrid and intangible forms of capital, the virtualization of monetary and non-monetary units of value, the expansion of non-financial target characteristics of the activities of economic entities, the main trends in the development of accounting objects, the criteria for their recognition and metrics are determined. The necessity of expanding the content of accounting information at the expense of non-financial parameters of the company's activities, including social responsibility, environmental safety of business, organizational, innovative, human, reputational capital, strategy and management quality, which reflects both internal processes and the state of the external environment, is substantiated.

In the digital economy, in order to maintain its relevance and relevance of the promoted product, accounting should be clearly positioned as an element of the system for receiving, processing and transmitting economic information. Otherwise, it is exposed to a significant risk of "dissolving" in modern electronic information systems that are dynamically developing and rather aggressively expanding their scope of application. To do this, it is necessary to clearly understand the place, role and functionality of accounting in the ecosystem. In this context, further research is relevant, in particular, including:

- studying the problems, socio-economic prerequisites and constraints on the development of accounting as a "supplier of information", using strategic analysis methods to assess its functionality and relevance, identifying gaps between the desired and real state of affairs when positioning in the information environment and management system; - assessment of the need and determination of the main directions of accounting modernization, consideration of theoretical premises and the possibility of changing the accounting paradigm; - analysis of the factors of evolution and trends in the development of accounting concepts, highlighting the most relevant concepts in the information economy; - development of new theoretical and methodological approaches to building the concept of accounting in a knowledge society and digital economy, in particular, to the content of such elements as: interests of users of accounting information; goals, types and quality parameters of corporate reporting and other forms of accounting information product; characteristics of data in the accounting system; postulates, principles, basic concepts and categories of accounting and their development; accounting model, procedure and technology; - study of the influence of modern information and, first of all, digital technologies on the methodology and methodology of accounting, identification of changes in the elements of the method, clarification of their typology, possibilities for expansion and modernization; - determination and systematization of the range of accounting objects in the context of cryptoeconomics and digitalization of socio-economic processes, the creation of virtual units of value, smart assets and contracts, the capitalization of intangible factors of economic and social growth, social responsibility and environmental safety of business; identification of their distinctive features and important information characteristics for stakeholders, clarification of the criteria for their recognition, metrics and taxonomy; - determination of the internal structure of the accounting system by types (subsystems) of accounting, determination of criteria for allocation and recognition, as well as directions for the development of types of accounting and reporting in the context of digitalization; - determination of qualitative characteristics, content features and principles of reporting, the impact of modern digital technologies on the order and format of its presentation, distributed storage and real-time access, opportunities for the development of integrated corporate reporting with the inclusion of social and environmental indicators in it to form a sustainable development environment; - development of proposals for the modernization of basic regulatory documents of a mandatory and advisory (soft legislation) nature, defining the methodological and methodological foundations of accounting, the formation of recommendations for changing the chart of accounts and financial statements; - identifying ways to reform the main infrastructure components that provide conditions for the development of accounting: regulatory regulation, personnel and educational programs, automated platforms for generating, exchanging and using socio-economic information, information security.

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