

## STREAMLINING FINANCIAL MANAGEMENT: THE EVOLUTION OF AUTOMATED ACCOUNTING

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### Abstract

This article delves into the legal framework and objectives of accounting, examining prevalent approaches to automate these processes and integrate information technologies. The primary focus is on enhancing the efficiency of management functions across economic sectors. Investigating the nuances of informatization, computerization, and automation in contemporary economic settings is central to this exploration. The article uncovers the distinct advantages of automated accounting when juxtaposed with traditional methodologies while highlighting prevalent computer programs utilized for automated accounting in practical applications.

**Keywords:** Economy, Control, Accounting, Legal Basis, Information, Automation, Company, Tasks, Information Systems and Technologies, Programs, Computer, Processes.

### Introduction

In modern conditions, the role of information and information technology in the social and economic development of the country is becoming increasingly important every year. The level of economic and social development of society and its integration into the world economic system depends on the scale and quality of use.

Almost every business entity has an accounting department that processes, stores, and transmits data on property and financial obligations. Today it is very difficult to imagine the work of an accountant without the use of various technical means that have simplified the accounting process. In the age of digital information technology, automation systems are widely used when directly using a computer. In particular, accounting automation has caused revolutionary changes in accounting and, accordingly, in the accounting profession. To work, you no longer need to use calculators or tons of paper; it is enough to have access to the software system.

The purpose of this work is to determine the main advantages and disadvantages of innovative technologies in accounting, as well as to identify the problems of its automation and development prospects. Identification of strengths and weaknesses using the example of analysis of the most well-known accounting automation systems (ABU) and assessment of their effectiveness.

Automation involves maintaining accounting records through a computer, or rather through certain programs. Computerized accounting has the following advantages over “manual” or “traditional” accounting:

1. Simplification of accounting. Here, the main task of the accountant is to enter data correctly, and the program performs all calculations and calculations automatically.
2. Reducing the time spent processing information. In a short time, the program automatically produces all the results and generates the required report.
3. Preservation of documented data stored on the server. If you have access rights, you can use the necessary information at any time. At the same time, SABU programs allow you to store large amounts of data and have a very convenient search system.

Today, it is impossible to imagine accounting without the use of automated information technologies, which help speed up and improve the process of using information, and actively develop and constantly improve the accounting system.

Automation of accounting has become an important component of the accounting process of any enterprise, especially large companies. Its use improves the quality of accounting, significantly increases its speed, and in general, thanks to it, the efficiency of enterprise management increases. The accountant quickly receives the necessary results for any period, without resorting to manual sampling. The process of grouping data also differs from manual methods in that the same information is used repeatedly for analysis and tabulation, and this helps to facilitate and speed up the accounting process.

In recent years, a lot of work on automating accounting, and at the same time ensuring information security in the field of information technology, has been carried out by the leadership of the Republic. At the same time, information security (IS) for any organization is controlled and ensured by relevant regulations.

The Republic has created a strong, deeply thought-out regulatory framework that allows for automated accounting of all transactions performed at the enterprise from the moment of its formation and in its subsequent activities.

In particular, the Law of the Republic of Uzbekistan No. 439-11 of December 12, 2002 “On the principles and guarantees of freedom of information” [1] regulates measures to ensure information security at all three levels: individual, society and state. This document is considered fundamental, based on which public relations are regulated in the receipt, use, and storage of data in the field of information technology, including information security of automated accounting systems.

In the Republic, the main regulatory document regulating the processes of accounting automation is also the Law of the Republic of Uzbekistan No. 560-11 of December 11, 2003 “On Informatization” [2]. The adoption of this Law led to the first steps in the process of computerization and informatization of accounting processes. The document allowed, at the legislative level, to formulate the main principles, goals and objectives of this process and the regulation of related relations.

Along with this, to increase the efficiency of the use of information technology in the industries, the following was adopted: Decree “On measures to further improve the field of information technology and communications” dated February 19, 2018, and the Presidential Decree “On measures to improve the control system for the implementation of information technology and



communications, organizations for their protection” dated November 21, 2018. Paying due attention to this issue, the Decree of the President of the Republic “On measures to raise the sphere of information and communication technologies to a new level in 2022-2023” was adopted, PP No. 357 of 08/22/2022 [3]. Following this the main tasks for the further development of the field of information and communication technologies are determined, the introduction of information systems and software products in government agencies, including in enterprises of the real sector of the economy.

The existing legislative framework creates favourable conditions for more active activities of enterprises in the field of automation of accounting processes. Today, it is impossible to imagine accounting without the use of automated information technologies, which help speed up and improve the process of using information, and actively develop and constantly improve the accounting system. Therefore, the development and creation of an accounting information system is the main task of automating the management of any organization.

The use of information technology in accounting significantly increases its efficiency, i.e. The accountant quickly receives the desired results for any period, without resorting to manual sampling. At the same time, the process of grouping data differs from manual methods; the same information is used many times to compile tables, and this helps to facilitate and speed up the accounting process.

Currently, in accounting, the main means of working with information is a personal computer, and therefore accounting automated systems (BAS) are actively used here. BAS is functional software designed to process complex accounting tasks by computer. In the accounting system, during manual data processing, the results are recorded on paper in the form of various accounts, reports, accounting registers, etc. The same documents, but presented in electronic form, are also used in the automated system; at the same time, information can also be obtained on paper. That is, the computer system performs operations automatically.

The use of automated processing of accounting process data presupposes the uniformity of operations, which almost eliminates the occurrence of random errors that are usually inherent in manual processing. At the same time, there is a division of functions, suggesting that the computer system itself can efficiently and quickly carry out internal control procedures, which in non-automated systems would be performed by various specialists with the risk of errors and wasting a lot of work time.

Thus, automation of accounting is the transfer of monotonous tasks performed by humans to a computer, which, with the participation and supervision of a person, through a special program, ensures the performance of the following functions:

- ensuring clear and fast data entry, minimal likelihood of errors due to human carelessness;
- storage of information entered by the operator in the form of logs and reference data for a designated period;
- calculations of basic indicators, namely: total expenses, tax deductions, wages, depreciation of equipment and others;
- creating pivot tables and preparing reports if necessary;
- filling out forms, these can be delivery notes and invoices, etc.

Information technologies are constantly developing, and along with them there is a process of development of accounting programs, due to this there is a fairly large number of them on the



market [4]. In this regard, when automating the accounting system, it is important to choose the right software product.

There is no practically generally accepted classification of accounting programs; usually, in most cases, they differ in the composition of the functions they perform. At the same time, they can perform both a minimal and an expanded set of operations, which depends on the size of the enterprises they are targeting. For example, four groups of such accounting programs can be distinguished:

- “mini-accounting” software packages designed for small businesses;
- “integrated accounting system” software packages are intended for small and medium-sized businesses, they are developed based on “mini-accounting” packages, this group is one of the most common today;
- software packages “comprehensive accounting system”, designed to process complex accounting tasks;
- “corporate financial and business management systems” packages have a complex structure of components, including an accounting subsystem, and are used to automate enterprise management functions;

Accounting automation programs allow you to save time, promptly find and eliminate arithmetic errors,

assess the current financial condition of the organization and the prospects for its work. To implement automation, you should select software products based on the tasks and available resources.

Today, the most common programs used to automate accounting are 1C program configurations. These programs allow you to automate all processes for maintaining, generating and providing accounting reports with minimal labour costs. Correct use of 1C configurations allows you to conduct automated accounting without the risk of system failure. However, there are other systems, such as Parus, Galaktika, SAP, etc. As a rule, the choice of which depends on the scale and financial capabilities of the organization. At enterprises of the Republic, striking examples of the use of accounting automation processes are the use of programs such as: “1UZ”, BEM; UzASBO; UZTO; SOLIK INFO; “1C: Accounting 8 for Uzbekistan”, “Infosoft”, “BEST”, “AS Smeta”, “Turbo accountant”, etc.

In particular the program “1C: Accounting 8 for Uzbekistan” is the most commonly used in industrial enterprises [4-18]. It has several advantages: the possibility of flexible configuration settings and the presence of a built-in language, ease of installation and use, the ability to quickly perform various operations, and an affordable price.

Today in the Republic, one of the most popular national programs is the “1UZ - Accounting” program. Basic”, developed by domestic software developers. It is intended for small businesses. The program automates all areas of accounting: cash desk, bank, accounting of fixed assets and inventories, mutual settlements with counterparties, wages, determination of the base and calculation of taxes. The program’s simple and intuitive interface allows you to work in two languages – Uzbek and Russian. The program is convenient and easy to use, it is simple, reliable, and strictly complies with the legal framework. The developer guarantees the uninterrupted operation of the program and its timely updating, following changes in the legal and legislative field.



## Conclusions

Summarizing the above, we can draw the following conclusions:

- accounting information systems reflect the industry characteristics of enterprises;
- information support is aimed at organizing the information necessary for implementing management decisions and is divided into out-of-machine and intra-machine information support;
- technical support is a set of used computing and technical means, network data processing technologies;
- software is a set of programs that implement the goals and objectives of the system and ensure the functioning of a complex of technical means.

Thus, an accounting automation system plays an important role in accounting activities. It covers various aspects of accounting and has significant advantages over the manual method. However, its main advantages are as follows:

- data accuracy increases, eliminating the risk of calculation errors;
- compliance with government requirements is ensured by intensifying activities taking into account regulatory financial reporting standards (IFRS, NAS);
- the entire accounting process is accelerated using automated calculations and simplified workflows;
- organizing and accessing data is simplified;
- the speed of preparing accounting reports increases;
- The efficiency of preparing accounting data for various departments of the organization increases.

That is, accounting automation is a process in which, as a result of running special accounting programs on a computer, the efficiency and quality of accounting at any enterprise increases. However, the successful use of accounting automation programs without a qualified specialist is impossible; they will be useless for the enterprise if you do not have an experienced and competent accountant. In this connection, modern information technologies require an accountant to be a mobile and in-demand specialist.

Today, an accountant must be fluent in computer information technology, and understand and be able to work with accounting automation programs. For this, in a higher school for the training of economists, accountants and financiers, teaching knowledge in the speciality should occupy a special place; it is necessary to organize the graduation of specialists with the qualification of an accounting and financial programmer.

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