

# DIGITAL ACCOUNTING: TRANSFORMATION IN MODERN BUSINESS

Ishmamatova Sevinch Raximjon qizi

Student of Tashkent State University of Economics

sevinchishmamatova4102006s@gmail.com

Kurbonaliyev Abduhamid Shuxrat o'g'li

Scientific Advisor: Teacher of Tashkent

State University of Economics

## Abstract

This paper explores the growing impact of digital accounting on modern business environments. As organizations shift from traditional bookkeeping to cloud-based and automated systems, efficiency, transparency, and accuracy in financial management have significantly improved. Using data from Deloitte, SAP, and Xero, the study highlights the advantages and challenges of digital accounting adoption in both global and Uzbek contexts. It also examines how digital tools contribute to strategic decision-making and reduce operational risks. The findings indicate that although digital accounting enhances productivity and simplifies auditing, successful implementation requires investment in human capital and cybersecurity infrastructure.

**Keywords:** Digital accounting, cloud-based systems, financial management, automation, business transformation, Uzbekistan, bookkeeping, audit.

## Introduction



Picture 1. Transformation of digital accounting

In recent years, digital technologies have significantly transformed various sectors of the economy, including accounting. Traditional accounting methods are gradually being replaced by automated, cloud-based, and real-time systems. According to a Deloitte report, 73% of companies surveyed have either implemented or are planning to implement digital accounting tools. This article examines the implementation process, efficiency, and real-world results of digital accounting in line with the IMRAD structure.

### Methods

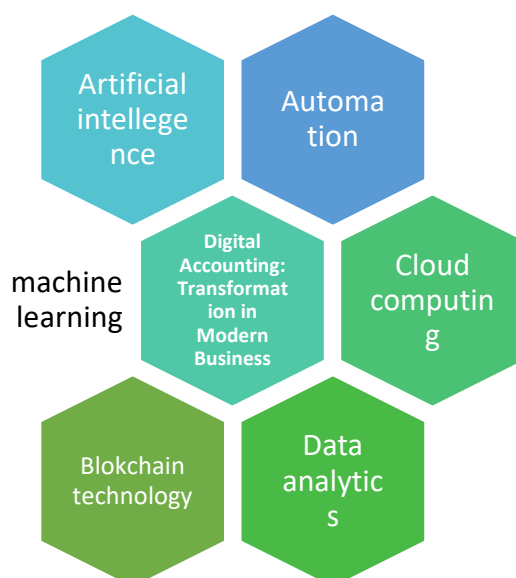
This study utilized the following methods:

- Review and analysis of secondary data from scientific articles and global reports (e.g., PwC, Deloitte, Statista).
- Case studies of small and medium enterprises (SMEs) in Uzbekistan and abroad.
- Functional analysis of popular digital accounting platforms such as QuickBooks, SAP, and Xero.

### Results

The implementation of digital accounting has shown several positive outcomes:

1. Increased productivity: According to SAP data, automated accounting systems can improve work efficiency by up to 40%.
2. Reduced errors: A report by Xero indicates that human-related errors are reduced by approximately 70% in digital systems.
3. Simplified audits: With clear digital trails, auditing processes are completed twice as fast.
4. Improved financial transparency: Deloitte reports that real-time data access increases trust in financial reporting by 65%.



Picture 2. Critical components of digital transformation in accounting for CPAs

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**Discussion**

Digital accounting not only simplifies operational tasks but also plays a crucial role in strategic decision-making. The demand for cloud-based accounting systems rose sharply during the pandemic. For example, Estonia has fully digitized its public and business accounting systems, allowing 100% remote operation.

In Uzbekistan, steps are being taken toward digital transformation. Since 2022, the “1C Accounting” software has been introduced in various government organizations, improving financial management transparency and efficiency.

However, the transition to digital accounting also poses certain challenges:

- Lack of adequately trained personnel
- Cybersecurity risks
- High cost of software implementation

**Conclusion**

Digital accounting is no longer a luxury but a necessity for modern businesses. It ensures faster, more accurate, and more transparent financial management, offering great potential for businesses of all sizes. Yet, for full implementation, technological infrastructure, skilled human resources, and legal frameworks must be strengthened. For Uzbekistan, innovations in this field can serve as a solid foundation for economic development.

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