

CHARACTERISTICS OF THE ACCOUNTING SYSTEM AT COMPANIES

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The article describes the main features of the contemporary accounting system and evaluates the impact of its development factors at the company level from the perspective of practicing accountants. In particular, the authors examine the influence of information technologies on the organization of accounting; the tendency to separate tax and financial accounting; overloading of the accounting regulatory framework, changes in accounting related to integration processes in Ukraine. In addition, the study defines the problems of contemporary accounting, including: the complexity of the regulatory and legal framework; risk of abuse; development of information technologies; the need for additional accountant qualifications; the need to standardize rules and formats of financial reporting; the complication of accounting associated with the development of the world economy. The authors proposed directions for solving problems of the accounting system.

Key words: accounting, taxation, company management, accounting system, financial reporting.

JEL Classification: M40

Statement of the problem. Accounting is a component of the enterprise management system. It is a link that collects information about the company's property, financial position and performance to make informed management decisions. Modern accounting and taxation in Ukraine is constantly evolving and improving in line with international standards and domestic requirements. The main source of guidance is International Financial Reporting Standards (IFRS) and National Accounting Regulations (Standards) (NR(S)AU).

But there are problems in accounting and taxation that need to be addressed. These issues have a direct impact on both business operations and the economic development of the entire country. Ensuring high-quality accounting and taxation is an important element of building trust in companies and their business reputation, and also affects the country's competitiveness and investment attractiveness.

Practice shows the existence of theoretical and practical problems caused by: differences in accounting approaches in Ukraine and Western countries; inconsistency of IFRS underlying NR(S)AU; differences in the interpretation of management accounting. The existence of these and other problems confirms the relevance of finding ways to solve

them and forecasting the directions of further development of accounting in Ukraine.

Traditionally, accounting is an information system that is formed at the micro level, i.e., the object of study is the activity of the enterprise. But this system is not autonomous; it is an integral part of the management system. Therefore, the primary task is to create an accounting model that would actually reflect the economic and financial activities of Ukrainian enterprises at the current stage of economic development.

Analysis of recent research and publications. The problems of accounting development in Ukraine are studied by a number of leading experts: Bilukha M.T., Borodkin O.S., Butynets F.F., Valuiev B.I., Hutsaliuk Z.V., Kuzhelnyi M.V., Krupka Ya.D., Linnyk V.H., Maliuha N.M., Pylypenko A.A., Pushkar M.S., Sopko V.V., Chumachenko M.H., Shvets V.H. and others. In their studies, the researchers note that the main task of transforming the national accounting system is to accelerate the process of bringing it in line with the requirements of the Ukrainian economy and international accounting standards.

At the present stage, accounting is the main link in the integration of economic management information systems,

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as it forms the basis for statistical and tax reporting, tax calculation, and operational management of business and production activities of entrepreneurs to meet the needs of information users at various levels of management. In such circumstances, the integration of different types of accounting into a single information system of economic accounting based on new information technologies is becoming an important area of accounting development [6].

Accounting has gone beyond traditional accounting and is actively used by all levels of a company's management. Accounting tasks are managerial in nature. The boundaries between management accounting, management and analysis of business activities are gradually blurred. The tasks, content and place of accounting in the enterprise management system are being reassessed [2].

The accounting system in Ukraine is subject to tax legislation and does not provide information for effective management decision-making. Tax accounting rules do not comply with national and international standards. Therefore, there is a need to harmonise accounting in line with international standards [3].

Domestic accounting is based on the task of preparing financial statements rather than analysing their forms, as well as the need to periodically submit reports to regulatory authorities [4]. In recent years, a new approach to defining the accounting system of an enterprise by structure has emerged. The principal classification is not accounting, but the type of activity of the enterprise, which determines the nature and content of the accounting system [5].

Thus, in the works devoted to the development of the accounting system in Ukraine, the main attention was paid to the macro level – general theoretical, legal and organisational aspects of accounting reform and the justification for the need to apply a new paradigm.

At the same time, there is currently a lack of research aimed at the development of accounting at the enterprise level, without which methodological generalisations in accounting theory are impossible. To conduct such research, it is important to track changes in the accounting system from the perspective of practicing accountants. The opinion of these professionals is crucial at the micro-level.

Formation of the objectives of the article (task statement). To describe the main features of the modern accounting system and assess the impact of factors of its development at the enterprise level from the point of view of practicing accountants.

Summary of the main research material. The accounting system at an enterprise can be viewed as an information system. It includes all the basic components of the latter: information (accounting); organisational units (accounting structure and personnel performing accounting procedures); functional components (accounting procedures) [5].

The use of personal computers is transforming the accounting information system. As part of the computer information system, another component appears – information technology, which includes hardware and software.

The organisational structure of the accounting department often changes with the introduction of computers

(reduction of staff; redistribution, change and emergence of new functions for the accounting staff). Consider the changes in functional components. Traditional accounting technology includes the following stages.

1. Registration of business transactions with primary documents.
2. Transferring information from source documents to accounting registers.
3. Reconciliation of data from accounting registers and primary documents.
4. Grouping of data and preparation of reporting documents [4].

The first three stages in digitalised accounting take place in parallel: the preparation of primary documents is carried out simultaneously with their entry into the database. The accuracy of accounting is controlled by the computer automatically. In fact, a computer can be seen as a universal accounting register. The fourth stage – data selection and reporting – is also carried out automatically based on user requests.

With the advent of the computer, only the first stage has remained unchanged for accountants. Filling out both paper and digital documents, despite the different forms of presentation, is virtually the same. The duration of this stage is comparable for any form of accounting. All other stages are performed by the computer within a few seconds only with the formal participation of the user.

The sequence of accountant's actions and rules of work are determined by the computer programme used – its interface and workflow. Given the variety of accounting software on the market and the huge army of software developers, it can be concluded that there are no uniform accounting procedures for digitalised accounting.

Thus, the computer has evolved from an auxiliary tool to a determining factor in the organisation of accounting, changing not only the form of accounting but also its content. Digitalisation has affected almost all elements of the accounting method:

1. Chart of accounts. The electronic chart of accounts allows to automatically generate accounting entries for typical business transactions and control the correctness of the accountant's actions. It is possible to perform independent parallel accounting in several working charts of accounts, for example, when keeping records in accordance with national and international standards.

2. Primary documents, accounting registers and reporting. There is a tendency to switch to paperless accounting technologies, and there is no need to reconcile data from accounting registers and documents at different stages of the accounting process. All accounting documents can be divided into three groups depending on the possibility of using them electronically: a) documents that can be created using a computer and must be transferred to paper for further storage (primary documents); b) documents that can be created and stored electronically (accounting registers); c) documents that are created and used exclusively on paper (strict reporting forms) [6].

The representation of an accounting register in digitalised accounting is not decisive; it can be given any form.

Everything is determined by the desire of the user-accountant. In fact, the computer itself has become an accounting register containing primary documents, accounting registers and financial statements. Automatic financial statement preparation illustrates the reduction of the accounting process without the need to separate out individual stages: filling in primary documentation, grouping business facts and preparing reports.

3. Asset valuation, inventory methods, production costing. The possibility of multi-variant asset valuation is ensured only when using a digitalised form of accounting. Inventories are carried out using electronic scanners that can use barcodes, radio frequency tags (FRID technologies [2]), etc. Production costs are calculated instantly, and accounting is carried out in real time.

In general, it is possible to note the expansion of accounting functions based on information technology, the performance of accounting work in a more complete manner, the emergence of new opportunities, the elimination of traditional stages of the accounting process, and the acceleration and improvement of the quality of accounting.

The accounting technology and sequence – primary documents, accounting registers, reporting – has remained traditional, with only the methods of creating and storing documentation having changed. Adherence to the existing established accounting technology in the context of digitalisation remains a tribute to tradition. Information technologies have already outgrown the accounting methodology and are already suggesting other solutions and forms of information presentation.

In addition to the advantages of digitalised accounting, there is a negative impact of the inclusion of information technology in the accounting process: interdetermination of accounting, increase in its cost, emergence of new functions for the accountant and additional time costs [1].

Accountancy software necessitates the initial instruction of accounting personnel as well as the continuous adjustment to novel variations of the software. Alterations to computer software are linked not only with its evolution but also with perpetual modifications to accounting principles. This entails supplementary investments and medium and large businesses confront the necessity of employing an additional specialist, a programmer-accountant.

Computer technology is not infallible. It is not only about technical limitations that restrict the system's performance and user capabilities, but also about the computer's lack of dependability. The more intricate the equipment, the higher the probability of it malfunctioning. In such cases, the involvement of system administrators and service technicians results in additional expenses and longer downtimes.

The most fallible aspect of an accounting information system is its software. Software failures tend to happen more frequently than hardware failures, which in turn results in extra costs.

Another aspect of digitalised accounting is the extensive opportunities for users to manipulate accounting information, including the possibility of falsifying records. The

conventional measures proposed, such as limiting access to data, reducing the number of users, and their respective authority levels, do not entirely resolve the issue.

An accountant's labour and time costs depend on the quality of the computer programme and how well it suits the accounting needs of a particular business. For some businesses, out-of-the-box software is ideal. Others have to use specific customised software. However, this does not mean that such companies have their accounting organised in an optimal way.

The use of information technology accelerates the accounting process, primarily in those areas of accounting where typical repetitive transactions are recorded [3]. For non-standard situations (from the point of view of a computer program, not the economic activity of an enterprise), programs do not always provide for their adequate reflection in accounting. And to obtain the «correct» accounting indicators, an accountant often spends much more time than when keeping paper records. Sometimes it is necessary to compromise and manually adjust the final figures.

With regard to the separation of financial and tax accounting, it can be assumed that an attempt to bring them together is unlikely to be successful. This is due to the fact that financial and tax accounting initially have different goals, respectively: preparation of financial statements and taxation regulation, which implies the multivariability of financial accounting and strict methods of calculating tax payments.

In order to minimise contradictions globally, it is necessary to either reject financial accounting or create something new, rewrite the accounting methodology, discarding the details and retaining the principles. If to look at foreign experience, the Anglo-American accounting system combines broad principles of international standards and tax legislation.

Excessive detail and complexity of accounting in Ukraine has led to an overstaffing of tax inspections [5]. Here, a parallel can be drawn with the foreign staff of auditors. However, in the practice of other countries, there is no distinction between the audit of financial statements and the verification of the correctness of tax calculation. There are fiscal services everywhere, but for them, auditors' reports are binding. In Ukraine, the tax authorities do not take auditors' reports into account and do not trust them. Domestic auditors are not numerous enough to offer their services to meet the needs of the tax authorities for total audits. On the other hand, the audit institution is underdeveloped in Ukraine precisely because its functions overlap with the tax services.

Certain distortions in domestic practice can be viewed as positive. For example, the «overload» of accounting with regulations and instructions provides a huge number of jobs for both accountants and tax inspectors.

Nowadays, the main task for a practicing accountant is not to ensure the quality of accounting, but to submit tax returns to the tax inspector in a timely manner. At the same time, there is a focus on the requirements and professionalism of a particular tax officer in charge of the com-

pany, which means that the role of subjective factors is increasing.

The problem of inconsistency of norms is also observed in the tax legislation itself [6]. The confusion in tax accounting is due to the large number of letters and instructions from independent tax authorities in different regions. The main vector in the development of tax accounting is the solution of common typical problems on the ground in their own ways. Contradictions are observed not only regionally, but also over time. Subsequent instructions and clarifications may be contradictory in content, but they do not always cancel the effect of previous regulations.

This problem can be solved by a unified information base of tax regulations based on modern information technologies. The existing databases are fragmented and do not cover the entire regulatory framework, so they do not fulfil their purpose.

Currently, Ukraine actively cooperates with international organisations on accounting and taxation issues, such as the International Monetary Fund and the Organisation for Economic Cooperation and Development. This allows Ukraine to receive the necessary support and advice in the process of accounting and taxation development [7].

Accounting in Ukraine and European countries has significant differences. This applies to the regulatory framework, reporting forms, audit requirements, etc. Integration processes in Ukraine have a significant impact on accounting and financial reporting. On the one hand, they create additional requirements for accounting and reporting, and on the other hand, they provide new opportunities for business development and competitiveness.

In the context of integration with the European Union and other international organisations, the range of accounting and financial reporting requirements may expand. For example, in connection with accession to the EU, the requirements for disclosure of information on social responsibility and environmental activities of enterprises may be strengthened. This may affect the accounting and financial reporting system. In addition, integration can also lead to an increase in the number of reporting forms and an expansion of the scope of reporting.

However, integration processes can also benefit from common accounting and financial reporting standards. They will contribute to greater transparency and comparability of data between different countries and sectors of the economy. This will help to attract foreign investment and develop the country's economy as a whole.

In general, the following issues are among the problematic issues of modern accounting.

1. The complexity and sophistication of the regulatory environment.

2. Risks and liability. Accountants are responsible for the accuracy and legality of a company's financial statements. If

their reports do not meet the requirements, this can lead to sanctions, fines and other negative consequences.

3. Increased risk of fraud. Accounting can become a place of abuse due to insufficient control, lack of responsibility and independence. This can lead to financial losses and a negative reputation for the company.

4. Development of technology. In recent years, accounting has changed significantly due to advances in technology. However, this also requires accountants to understand new technologies and their impact on accounting. In addition, companies must invest in new technologies and systems to support their accounting.

5. The need for additional qualifications. Accountants need to have experience and knowledge in many areas, such as financial and tax law, auditing, management, economics, finance and other areas.

6. The necessity to standardise approaches and formats for financial reporting. This can help ensure the accuracy and comparability of financial information across companies and sectors.

7. Development of the global economy. Increasing globalisation means that companies have operations in many countries. This can lead to more complex accounting and different tax and regulatory requirements.

All of these issues can have a major impact on a company's financial stability and reputation. Thus, it is important that accountants are experienced and skilled professionals who can effectively address these issues.

Conclusions. The peculiarities of modern accounting include: a fundamental change in the accounting process as a result of the impact of information technology; separation of financial and tax accounting with a focus on tax interests; complexity and excessive detail of accounting rules. Digitalisation of accounting has both positive and negative consequences. The overload and conflict of interest of financial and tax accounting cannot be overcome by bringing them closer together. A new type of accounting needs to be developed, based on principles rather than regulations. Problematic issues related to accounting and taxation need to be addressed, in particular, by improving the regulatory framework, providing professional training, and increasing the level of government support. This is the only way to ensure high-quality and accurate financial reporting, maintain the trust of business partners and investors, and ensure the stability and successful development of enterprises and the country's economy as a whole.

At present, accounting has gained enough critical mass in the enterprise management system to exist independently and live by its own laws. Unless fundamental legislative steps are taken to simplify accounting, its regulatory framework will eventually grow so large that it will not be able to exist as a single entity and will break up into separate blocks.

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ХАРАКТЕРИСТИКА СИСТЕМИ БУХГАЛТЕРСЬКОГО ОБЛІКУ НА ПІДПРИЄМСТВАХ

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У статті дано характеристику основних рис сучасної системи бухгалтерського обліку та проведено оцінку впливу чинників його розвитку на рівні підприємства з позиції бухгалтерів-практиків. Бухгалтерський облік є обов'язковим для всіх підприємств та є основою для управління фінансовими ресурсами підприємства. У сучасних умовах система бухгалтерського обліку постійно розвивається, що пов'язане з інтеграційними процесами, інтенсивним розвитком технологій та зростанням глобалізації, тому тема дослідження є актуальною для всіх суб'єктів господарювання, а також для бухгалтерів, податківців, тощо. У роботі використані загальнонаукові та спеціальні методи дослідження: монографічне обстеження, опитування, узагальнення, систематизація, аналіз, синтез. Досліджено вплив комп'ютеризації на бухгалтерський облік. Позитивні наслідки полягають у розширенні можливостей обліку, підвищенні його ефективності та якості. Негативні наслідки пов'язані з підвищенням вартості обліку, можливістю помилок і збоїв, появи нових функцій у бухгалтера. Виділено ключові особливості комп'ютерної форми обліку та визначено, що комп'ютери змінили не тільки форму обліку, але і його зміст. Проаналізовано питання розмежування фінансового і податкового обліку в Україні. Для вирішення проблем, пов'язаних з цим розмежуванням, пропонується вжити комплексних заходів, включаючи розробку єдиного стандарту фінансового обліку, створення ефективної системи аудиту та впровадження єдиної інформаційної бази податкових норм. Розглянуто виклики бухгалтерському обліку з огляду на інтеграційні процеси в Україні. З одного боку, створюються додаткові вимоги до обліку та звітності, з іншого – надаються нові можливості для розвитку бізнесу та підвищення конкурентоспроможності. Визначені проблемні питання сучасного бухгалтерського обліку, серед яких складність регуляторного середовища, відповідальність бухгалтера, підвищення ризику зловживання, розвиток технологій, необхідність додаткової кваліфікації для бухгалтера, потреба в стандартизації підходів та форматів фінансової звітності, ускладнення облікових вимог, пов'язане з розвитком глобальної економіки. Результати дослідження можуть бути використані для удосконалення методів ведення бухгалтерського обліку та підготовки фінансової звітності, підвищення ефективності управління фінансовими ресурсами, розробки заходів для вирішення проблемних питань обліку.

Ключові слова: бухгалтерський облік, оподаткування, управління підприємством, система бухгалтерського обліку, фінансова звітність.

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