

ACCOUNTANT'S PROFESSIONAL JUDGMENT IN THE CONDITIONS OF THE TRANSITION TO A DIGITAL ECONOMY

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Annotation

Currently, the world community is experiencing technological and social transformations taking place in various spheres of society and associated with the transition to another level of the economy based on the use of digital technologies. These changes significantly and very dynamically change assessments and approaches to seemingly recently such unshakable concepts as accounting and the accounting profession. The article is devoted to the problem of transformation of the accounting profession in the changing economic business space. The aim of the study is to identify the impact of the digital economy on the professional judgment of an accountant, as the most important component of the accounting profession. The prospects for the development of the accounting profession, which responds to the urgent needs of business and society, in the context of the digitalization of the economy are considered. The content of the concept of "professional judgment of an accountant" is considered, the purpose of its application in the practice of enterprises is shown, as a necessary element to ensure the reliability of information on which users can make effective management decisions. Based on the results of the analysis of accounting practices in modern organizations, the actual involvement of the accountant profession in the process of transition to digital technologies has been revealed. The growing importance of the ethical component of the accountant profession in the digitalization of the economy is revealed. The necessity of a serious change in the training of accounting personnel for work in the new conditions has been established. Based on the results of the study, the main directions of the influence of the digitalization of the economy on the professional judgment of an accountant and the prospects for the development of the accounting profession in these conditions are determined.

Keywords: professional judgment of an accountant, digital economy, accounting methodology, accounting in a digital environment.

In modern conditions of globalization of the economy and the development of digital technologies, traditional approaches to accounting are undergoing changes. Uzbekistan accounting is undergoing major changes due to new economic conditions, the emergence of new forms of business based on digital technologies, as well as electronic forms of payment. Along with this, there are new requirements for the presentation of credentials, as well as their

quality and degree of integration. All this requires the transformation of existing approaches to the formation of accounting and reporting data, as well as the development and implementation of new ones. Under such conditions, the role of the accountant's professional judgment is becoming increasingly important in order to ensure the formation of high-quality and reliable accounting information, which would be the basis for users to make effective management decisions.

To date, there is a problem of understanding and applying the professional judgment of an accountant in domestic accounting practice.

Wider use of the concept of professional judgment of an accountant significantly distinguishes international financial reporting standards from Uzbekistan standards. This is due to the fact that the accounting and reporting rules in force in Uzbekistan rather strictly regulate most accounting transactions, that is, they are based to a greater extent on rules, while international financial reporting standards are based on the application of professional judgment, in other words, on principles.

The study of the concept of professional judgment of an accountant, as well as the problems of its application, are reflected in the works of modern Russian scientists, including Pankova S.V., Satalkina E.V. [1], Smirnova E.A. [2] and others. These authors emphasized that the professional judgment of an accountant is used as a methodological tool in case of emergency situations in the process of financial and economic activities of an enterprise and reflecting its results. In their opinion, professional judgment in the conditions of developed market relations is a means of ensuring the reliability of accounting information.

As studies by Russian and foreign scientists show [3–10], the transition to digitalization of the economy is associated with serious changes in all areas of society, entailing both positive and negative consequences, which makes it difficult to predict their development. Thus, the IFAC report at the World Economic Forum 2018 reported that by 2022 the number of jobs in the world will decrease due to the transfer of labor functions to robots by 75 million. However, at the same time, in connection with the expected development of the economy, an additional 133 million workers will appear. places [11]. According to this report, the demand for analysts, specialists in working with big data, information and cloud technologies, etc. will increase in the future.

The transition to digital technologies is today an objective requirement for the development of the economy. In this regard, the issues of transformation of the accounting profession and the role of professional judgment of an accountant in the context of the digitalization of the economy today should be given serious attention.

In foreign literature, much attention is paid to assessing the impact of informatization of the economy on the accountant profession and financial statements [12–16]. The work of Russian

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scientists Ermakova N.A. is devoted to the study of the prospects for the development of the accounting profession in the digital economy. [17], Karpova T.P. [18], Korzhovoi O.V., Filimonova A.A. [19], Tsivenko M.Yu. [twenty]. The issues of the development of accounting education in the digital environment are discussed in the works of Kuznetsova O.N., Sharapieva I.G., Deich V.Yu. [21], Eremina T.V., Lopukhova N.V. [22], Priobrazhenskaya V.V. [23]. The assessment of the role of professional judgment in the digital economy was considered in the work of Gubaidullina A.R. [24].

However, the issue of the role of professional judgment of an accountant in the digital economy has not been fully disclosed and requires further research. Therefore, the purpose of this study is to identify the impact of the introduction of the digital economy on the professional judgment of an accountant.

In modern conditions, the development of the market economy in Uzbekistan is inseparable from the trends and directions of development of the world economy. This is due to globalization, the emergence of new activities and new formats of relations. Recently, the global trend of transition to a new level of the economy - to Economy 4.0, characterized by a high level of use of IT technologies, has been clearly manifested. In the volume of Russia's GDP by 2025, according to McKinsey, the share of the digital economy can grow from 3.9% at present to 8-10%, while the increase in absolute terms will amount to 9.6 trillion rubles by 2025. [18].

This requires a rethinking of existing knowledge and practice. At the same time, assessments and approaches to seemingly well-established concepts are changing significantly and very dynamically. So, today accounting and the accounting profession cause discussions about their future, there is even an opinion about the disappearance of this profession.

It is clear that accounting, being the "language of business", will be in demand in any economic conditions. This is due to the need to generate information necessary for making high-quality, effective management decisions. Accounting is necessary for business as a source of information that can provide reliable information for developing an effective management decision; no other enterprise information system can fully cope with this. A business without accounting is like driving a car blindfolded.

Much more difficult is the assessment of the future of the accounting profession. Today it is not uncommon to meet with the opinion that accounting can be fully automated, and the accounting profession will not be in demand in the future, since all the work will be performed by specially created programs. However, it is known that Sivers E.E., a prominent representative of accounting science at the turn of the 19th–20th centuries, the head of the St. Petersburg school of accounting, back in 1892 proposed dividing the concept of “accounting” into two components: bookkeeping and bookkeeping. Today, accounting is understood as a

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procedure that includes fixing the facts of economic life, grouping them, summarizing and transferring the information received for making management decisions to users. Accounting is understood in a broad sense - the science of accounting, in a narrower sense, in relation to an economic entity, - the methodology for building an accounting information system for it (there are similar concepts abroad: bookkeeping and accounting, respectively)

In our opinion, it is from this that it is necessary to proceed when assessing the future of the profession. As practice shows, that part of the work of an accountant that relates to accounting can be automated, and, apparently, the day is not far off when it will be the norm to conduct this part of accounting activities completely with the use of IT technologies. Accounting, on the other hand, is an area of creative solution of professional problems in an environment of uncertainty and the need to comply with established accounting principles. This is due to the constant adoption of creative, non-standard decisions by an accountant, which is very difficult to formalize, and even artificial intelligence, apparently, cannot completely replace a person in this activity.

Today, an accountant must be a professional with a special property - professional judgment. Of course, any professional worker should be able to make competent decisions in the field of their professional competencies. Professional judgment should be distinguished from opinion. Opinion is subjective (this is how a person thinks based on personal perception). The judgment is more objective, as it is based on certain legal and regulatory and local provisions applied in the professional field. But for some professions, whose social role and significance is great, the concept of professional judgment is of particular importance. When making a decision, an employee of such professions must do it honestly, responsibly, since a lot depends on his decision in the life of society and a person. Such professions include doctors, lawyers, accountants, etc. In this sense, they talk about the moral side of professional decisions, about ethics. Without the application of the proper level of professional judgment of an accountant, it is impossible to generate information of such quality that would allow users to make effective management decisions with low social risk (for example, providing protection from pyramid schemes). In IFRS, the professional judgment of an accountant (professional judgment) is understood as a reasonable (motivated), conscientious judgment of a specialist in the field of accounting regarding accounting objects. Methods for reporting, based on special knowledge, experience of a specialist, established practice of reflecting business transactions in conditions of uncertainty. There is no definition of the concept of professional judgment in Uzbek legislative and regulatory documents on accounting, therefore, the definition used in IFRS is applied. New accounting standards currently being developed in Uzbek involve an even wider use of the professional judgment of an accountant. To help Uzbek accountants, the Recommendations on the Use of Professional Judgment were developed, approved on

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12/17/2018 by the Recommendations Committee of the National Non-Governmental Accounting Regulator “Accounting Methodological Center (BMC)” Foundation.

The social significance of the accounting profession requires adherence to certain ethical principles in the exercise of professional judgment, such as honesty, objectivity, professional competence and due diligence, confidentiality, professional conduct [1].

The reasons why all accountants today, and not just certified ones, should use professional judgment in their work, in our opinion, can be summarized as follows:

- the need to apply ambiguous provisions of legislative and regulatory documents, as well as often the absence of the necessary provisions in them;
- transition to international financial reporting standards. The concept of "professional judgment" of an accountant or auditor is still unusual for the practice of Uzbek accounting. This is due to the fact that the accounting and reporting rules currently in force in Uzbek quite strictly regulate most accounting operations, while international financial reporting standards are based on the principles, and, consequently, on the application of professional judgment;
- making adjustments to the accounting policy in connection with permanent changes in legislation;
- the need to choose a rational option for organizing accounting, including assessing the possibility of transferring accounting and reporting to outsourcing;
- application of requirements and assumptions (principles of accounting) in the course of accounting and preparation of financial and non-financial reporting;
- development of an information format for external and internal users, including directors and owners;
- the use of reserves, both in accounting and in taxation;
- risk management (including accounting and tax risks);
- implementation of tax planning that ensures minimal tax risk;
- conducting financial and economic analysis, both classical and its new forms: due diligence, forensic, etc.

The implementation of these activities of an accountant requires a creative, research approach, and therefore requires the use of professional judgment. It is very important to understand that the use of professional judgment by an accountant does not aim to "adjust" reality to the user's desired view. On the contrary, professional judgment allows, without embellishment, veiling and substitution of concepts, to disclose information in the format that is determined by the legislative and regulatory regulation of accounting, while ensuring compliance with the principle of “do not mislead anyone”

The need to exercise a high level of professional judgment requires continuous professional development of the accountant.

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The problem of the formation and development of the digital economy in Uzbekistan in the field of entrepreneurship is significant and relevant both in the scientific plane in terms of conducting comprehensive research in this area, and in the practical plane for more effective implementation of the digital economy in order to increase the competitiveness of the Uzbek economy in the global space. A new round of accounting, from the point of view of the development of digital technologies, creates a new layer of broad opportunities for the successful management of the financial and economic activities of an economic entity, and in the long term it will contribute to the effective development of the domestic economy as a whole [25].

According to experts, the digital economy not only opens up new opportunities, but also creates certain threats.

First of all, experts highlight the difficulties associated with the use of newly discovered opportunities, including the low level of digital competencies, as well as the insufficient dissemination of digital technologies both within the country and abroad [3]. Like any transitional period, it can have a negative impact due to a lack of resources and opportunities, insufficiently established relationships in this area [6]; high volatility of digital companies in developing countries [7]; marginalization of workers from developing countries due to the development of digital technologies to a greater extent in the countries of the global North [8]. For developing countries, the digitalization of the economy can entail a number of losses, including a high risk of losing privacy due to insufficient opportunities to ensure digital security at the present stage.

On the other hand, the digitalization of the economy has a number of undeniable advantages. The digital economy opens up opportunities for a variety of information, educational, scientific, and entertainment content. It allows you to open new sources of income and reduce costs, through the implementation of most transactions in the electronic environment and make goods and services more accessible to consumers, both in the domestic market and anywhere in the world. In addition, any product can be modified at the request of the consumer, thereby satisfying individual demand.

Today, the economy is developing a trend of dominance of a new type of company in some sectors of the economy, among which are the world's largest taxi operator "Uber", the world's largest retailer of consumer goods "Alibaba", the world's largest hotelier "Airbnb". For the most part, their financial and economic activities and interaction with consumers are carried out on electronic platforms through websites and applications. Such activities form a new type of virtual relationship between business partners and other virtual market entities within the B2B (Business-To-Business), B2C (Business-To-Consumer) and B2G (Business-To-Government) business models.

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Specialists who ensure the financial and economic activities of the company in the digital environment must have certain competencies, such as independence, initiative, ingenuity and organization. The management of enterprises of this kind is organized at the present stage in the form of semi-autonomous working groups, which themselves set up business processes, form new approaches to achieving their goals.

In today's digital world, customer data is becoming the main currency. This data needs to be systematized, secured, and analyzed. Many companies, including mobile operators, banks, stores, are looking for ways and methods to solve these problems in order to use them in decision making and interaction with customers.

Currently, the growth of the cloud services market continues steadily, on average 40% annually over the past five years.

Such services include, but are not limited to, online trading (e-commerce), financial services (for example, online banking), social Internet services (social networks, online streaming, online games), education, healthcare (electronic ambulatory maps, digital health solutions), as well as public services.

Currently, in domestic practice there are no standards for evaluating data storage and processing centers, and therefore there is no objective opportunity to assess the level of services provided, including in terms of the amount of data that can be stored.

In the described conditions of transition to a digital economy, not only the entire architecture of the business as a whole is changing, but it also entails significant changes in accounting and in the accounting profession.

However, even today in the work of an accountant there are moments of using digital technologies, even at the very initial level. These include:

- application of accounting programs (1C, BEST, etc.);
- use of electronic legal reference systems and Internet resources;
- the use of programs that allow you to track the activities of the enterprise and draw up appropriate reports, for example, WinCash Logistic, WinCash Reporter, etc.;
- registration of business transactions at the enterprise with electronic documents;
- electronic interaction with tax authorities, banks and contractors;
- use of RFID technologies for electronic inventory of goods, materials, tools, fixed assets, etc.

Further impact on the accounting profession of the development of digitalization of the economy is seen as follows:

- the emergence of fundamentally new accounting objects, for example, a digital intangible asset, a digital financial asset, leased assets [17] and the development of innovative methods for evaluating and accounting for these objects;

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-application of new developments in IT technologies, such as cloud technologies, open technology platforms, etc. [19];

-ensuring information security (ensuring the safety of data, checking the integrity of electronic counterparties);

-formation of approaches to the integration of various types of accounting: financial, managerial and tax; the inclusion of an information accounting system in the information system of an enterprise [19, 21], new types of intellectual property;

-the accounting system includes non-financial information (the quality of the client base, the presence of economic security risks, the degree of application of energy-saving technologies, etc.) [18];

-the role of an accountant as an analyst is increasing, able to generate the necessary indicators and information flows, to carry out a prospective analysis [22, 24];

-the accountant becomes a business partner as a result of increasing his competence [17].

Thus, the role of the accountant in the enterprise is changing. He has a greater concentration of information about the activities of the enterprise, the need for strict observance of the ethical standards of the profession increases. An accountant who meets the requirements of the transition to a digital economy must be a multifaceted specialist with the professional competence of a number of related professions: economist, financier, manager, lawyer, programmer.

To be able to respond to the challenges of our time, it is necessary to constantly improve your skills, develop your professional judgment, develop new competencies in accordance with the atlas of professions with digital competencies.

Conclusions

1. Professional judgment is a mandatory component of the professional activity of an accountant, the level of which determines the professional suitability of an accountant and the complexity of the tasks he solves. The more developed the professional judgment of an accountant, the higher the complexity of the methodological tasks he solves, and the higher the quality level he solves them, for example, in the field of tax planning, formation of accounting policies, building an adequate system of internal control, management of accounting and tax risks, etc. d.

2. It is impossible to fully transfer bookkeeping, unlike bookkeeping, to automation, so a computer cannot replace an accountant in this part of his professional activity. Moreover, it is an accountant with a developed professional judgment who can develop a high-quality, reasonable terms of reference for new information products.

3. In the conditions of the digital economy, the scope of the accountant's activity is expanding towards analytics and methodological support of accounting, so his professional judgment is expanding into related areas of knowledge.

With the concentration of many functions in the hands of an accountant, the significance and role of him in the activities of an economic entity increases, and this increases the requirements for him from an ethical point of view, and the ethics of an accountant becomes an important element of his activity. The economic security of the enterprise will really be in the hands of an accountant. The role of professional judgment in this case increases significantly.

4. In order for accountants to be ready to work in the conditions of digitalization of the economy, it is necessary to provide appropriate training even during their training at universities, as well as in the process of further educational support. It is important today to give them knowledge of the principles of programming, to orient educational material towards the formation of competencies demanded by the digital economy, in accordance with new educational programs and the requirements of the Accountant Professional Standard.

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