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DIGITALIZATION ON THE ACCOUNTING PROFESSION AND ACCOUNTING STRUCTURE- AN OVERVIEW

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Abstract

Accounting is a classic profession, and its rules and concepts have been in place for many years and have not changed. However, the accounting industry is also being impacted by economic globalisation, stricter laws, and countless technology advancements. The necessity for quick adaptation and transformation of company practices and business processes without straying from fundamental accounting laws and principles reflects challenges for the accounting profession. The main issues that digitization transformation for the accounting profession are analysed and categorised in this article. One of the processes that brought the world under one roof is digitalization. The process of converting data to an electronic representation is known as digitalization. Digitalization of accounting is the conversion of financial data from a paper-based format to an electronic one. Accounting software and computers are used to convert paper data into electronic form. The ability to evaluate and report financial data quickly, effectively, and efficiently has improved because to technological advancement. Four broad categories can be used to group digital accounting. They are enterprise resource planning (ERP) systems, cloud computing, and advances in digital technology.

Keywords: Digital Accounting, Accounting Profession, Technological, Business Processes, Enterprise Resource Planning (ERP).

Introduction

The idea of digital accounting was developed for a more effective taxation system. The idea of digital accounting was developed for a more effective taxation system. It began as a federal government effort to modernize the Tax and Customs Administration back in 2003. Later, the Digital Bookkeeping System (NF-e) and Electronic Invoice (NF-e) appeared (Sped). By 2015, Social Security, the Digital Bookkeeping System Tax, and labour obligations had all been implemented. The everyday labour of an accountant won't be eliminated by digital accounting; on the contrary, it actually assists to increase their productivity. Accounting, the language of business, refers to the dissemination of corporate information to stakeholders.

Review of Literature

A literature review is a text of a scientific publication that summarises the existing knowledge on a certain topic, including significant discoveries as well as theoretical and methodological contributions. The foundation of research in almost every academic discipline is a literature review. To place the current study into the context of the pertinent literature and give the reader perspective, a narrow scope literature review may be published as part of a peer-reviewed journal article reporting new research.

Any research project requires background knowledge that enables understanding of the nature of the problems related to the specific topic and its importance in subsequent investigations. With this in mind, the literature review section has been designed to look at numerous works that relate to the specific/ the present review of literature consists of four important parts which are mainly related to the research work.

1. Digital Accounting
2. Accounting Profession
3. Accounting System
4. Digital Transformation

Danimir Gulin (2019) emphasised that businesses have a lot to gain from digitalization and the development of information technologies. Digitalization also brings about a lot of changes for the accounting industry. It will alter how accountants think and work. Although many accountants believe that automation and digital solutions will replace people and take away their jobs, research indicates that accountants will use automation and digital solutions to perform everyday activities rather than being replaced by them.

Pushpalatha (2021) claims that digital accounting is simplifying accounting tasks and that digitalization produces more productive, skilled workers and more accurate data. Data can be accessed instantly thanks to the digitalization of accounting, which also helps to attract more customers and workers. Accounting's transition to digital technology makes it possible to automatically produce financial statements including balance sheets, income statements, cash flow statements, and shareholder equity statements.

Oualid Meraghn et.,al (2021) As a result of the manifestations associated with the digital transformation that corporate organisations have gone through, it has been noticed that accounting information systems have undergone significant developments, alterations, and upgrades. That system uses them as outputs rather than undertaking tasks like saving, categorising, and summarising. In order for the transformation to be accomplished by merging the various elements to establish the system and assure its successful continuity, it is essential for the members in charge of accounting information systems to use the developed systems to adapt to this transformation process efficiently.

Yunita Awang et, al (2022) In order to emphasise that the accounting profession is becoming increasingly digitalized, the highest mean score items for opportunity and risk are, respectively, "Digitalization expands working time—work from anywhere and at any time" and "Digitalization provides better agronomics—support in performing heavy, dangerous, or complex work." The perceived opportunity or risk related to the digitalization of the accounting profession, however, was unaffected by gender variations.

Tahmina Khanom (2020) conclude that the world is being shaped by technology. It has an impact on practically every element of modern life, including social structures, economy, and cultural practises. Globalization, increased competition, and technological advancements are causing constant change in vocations. There is no exception to that in accounting. Since its inception, accounting has benefited every trade because it is the language of commerce. The author is motivated to examine the main obstacles and exciting potential facing the accountancy profession in the modern world since the constantly developing digital technologies are making it the most affected industry in ways that are still unimaginable.

RESEARCH GAP

Everyone in the modern world relies on digesting new technologies and digitization. In a similar manner, the accounting department is transforming from manual to digital work processes. It has a faster and less time-consuming alteration of daily life. Social media is a need in everyone's life. In this regard, the researcher learned about the present world's accounting system and the profession of digital accounting, however many authors simply addressed activities, performance, and other related research work.

OBJECTIVE OF THE STUDY

1. To understanding the digital accounting usage and needs in present profession.
2. To analysis the digital accounting transformation and performance.

RESEARCH METHODOLOGY

The present research covers only secondary data and is descriptive in nature. Secondary data was collected from numerous public and unpublished sources.

Scope of Research Work

The goal of the current research study is to collect data on the current business profession from the use of digital accounting. This viewpoint contends that the ability of the business sector to use video calling to engage with individuals in different locations and transfer data in real time is most challenged by digital transformation. More businesses benefit from digital accounting because all businesses can transfer data in this way. Companies

have a lot to gain from digitalization and the advancement of information technologies. Digitalization also brings about a lot of changes for the accounting industry. It will alter how accountants think and work.

Conceptual Framework

Meaning of Digital accounting

In digital accounting, financial data is created, transferred, managed, and stored electronically. Many of the manual operations that accountants often deal with are being digitalized and automated using software solutions.

Meaning of Digital transformation

The act of employing digital technology to build new business processes, cultures, and customer experiences—or adapt current ones—in order to satisfy shifting business and market requirements is known as digital transformation.

Table No.: 1
Digitalization on the Accounting Profession and Performing of Accounting Tasks

Area	Effect
Main digital solutions	<ol style="list-style-type: none"> 1. Artificial intelligence 2. Block chain 3. Cloud computing 4. Big data
Performing accounting tasks	<ol style="list-style-type: none"> 1. Automatization of routine, repetitive and structured tasks (e.g. invoicing, payroll) 2. Non-routine and non-structured tasks will require human thinking and additional skills and knowledge (e.g. interpreting and analyzing financial information)
Education and training	<ol style="list-style-type: none"> 1. Changes and modification of university programs 2. Critical thinking 3. Problem solving 4. Skills regarding the use of artificial intelligence 5. Accounting engineering 6. Interpersonal interaction and communication

Source: ENTRENOVA 12-14,

Table No.: 2
Digital Transformation in Present Profession

Year	Digital Transformation in Present Profession		
	Process -1	Process -2	Process -3
1770	Hand to Machine	Steam, Water	Farms to Factories
1870	Industrialization	Assembly line and mass production	Electricity
1970	Computers	Electronics	Blue Collar Automation
Present	Internet of Things	Big data	AI and Machine Learning and White collar automation

Source:- Bernard Marr's webinar

Table No.: 3
Top 7 Cloud-Based Online Accounting Software usages in Company

S.No	Accounting Software	Purpose and Process	Digital Accounting – Future
1	Zoho Books Online Accounting Software	GSTN filing system	Time & Cost Savings
2	RealBooks – Cloud Accounting Software	Retail POS Billing, Barcoding, and Inventory	Analytics and Real-Time advice
3	Reach – Accounting Software	Business Dashboard, Inventory Management, Billing & Invoicing, and Repair Management.	Easy Access
4	QuickBooks – Accounting Online	GST-R 9 report for filing the annual tax return for India	Accurate Financial Reports
5	ProfitBooks – Cloud Accounting	Sales orders, manufacturing inventory management, warehouse, and customer and supplier management.	Strengthen Data Security
6	ZipBooks: Cloud-Based Accounting Software	Essential accounting, inventory, sales, purchase, and CRM modules.	E-invoicing
7	AlignBooks – Online Accounting	AlignBooks key modules include sales, purchase, finance, inventory, POS, job work, production, payroll, and asset management.	Financial Ecosystem

Source: Author Creation

Suggestion

Without a doubt, the epidemic has sped up the digital transformation process. It's a truth that has unexpectedly been pressed onto the accounting community and the rest of society. In addition to this, organisations are dealing with a number of major obstacles, including the need to recover from two years of intermittent lockdowns, the very real threat of bankruptcy, rising energy costs, tax increases, coping with Covid, the cost-of-living problem, and financial difficulties. In this sense, digitalization is more supportive and helps them occasionally keep running their firm. One significant area of automation, artificial intelligence (AI), is poised to fundamentally alter the way accounting operations are conducted. AI will increase productivity, decrease errors, and streamline workflows while assisting professionals in making decisions about their businesses in real time using accounting data as the basis for their analysis.

Conclusion

In this perspective, accounting software is crucial to all businesses in the modern business environment. The same is true of accounting. The field has evolved much beyond simple bookkeeping and payroll, and like its companion procurement, it now plays a more strategic role for organisations who are forward-thinking. The past two years have taught us that planning ahead is essential for management and the finance department to future-proof their companies. Finance departments are in a good position to advise on hazards and comprehend what is required right away to secure long-term survival. A good understanding of cash flow, reserves, investments,

potential future prospects, and/or expansion plans is required by management. Finance departments will be able to offer more visibility at the push of a button as a result of more automation, and they will then be able to provide more value-added guidance such as how to enter a new market or launch a new e-commerce service.

Scope of Future Research

In this approach, accountants are now essential to changing the way business is done in the future. Businesses may inspire confidence in investors and build stronger stakeholder trust by receiving assistance in setting realistic goals and communicating their achievements. But as reporting changes, so must the skills needed to accomplish the job. Therefore, accountants will soon need to be knowledgeable in these areas. The discipline, critical thinking, and problem-solving abilities required to influence the direction of business can be brought by a new generation of accountants.

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