

ACCOUNTING, ANALYSIS AND AUDIT: NATIONAL CHARACTERISTICS AND GLOBAL TRENDS

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DIGITAL AUDIT: THE BEGINNING OF THE JOURNEY IN UKRAINE

An audit is a necessary tool for providing confidence in the quality of information in the financial statements of enterprises in the business environment. As the audit evolves, it reflects economic trends and the legal environment. Accordingly, the study of audit trends at the current stage of the development of society is necessary both for the awareness of trends in the further evolution of financial expertise by practicing auditors and report preparers, and for the understanding of the essence of audit opinion by users of audit reports. Therefore, the study of modern audit trends is relevant, having scientific and practical significance.

The widespread use of digital tools and technologies in the business environment is now undeniable. They relate to the organization of information transfer in business communication and promotion, and the organization of business processes, and their management. S. Korol and A. Klochko in the work [1] call the most used cloud technologies, software robots and artificial intelligence technologies, blockchain technologies, technologies for working with large data sets, and the Internet of Things. Industry 4.0 is certainly making demands on the accounting profession. I. Kravchenko and I. Matiienko-Zubenko considered the impact of world digitalization on the profession of accountant and auditor in works [2–3]. But such studies on domestic audit are currently isolated. The process of audit response in Ukraine to the digitization of business requires scientific research, methodological justification and practical implementation.

The purpose of the work is to determine the direction of changes in the audit process as a result of its digitization.

Researchers consider the positive impact of digitization on the audit process in the following areas:

1. Use of artificial intelligence.

It is the analysis of large data sets, which is able to improve the quality of audit services due to the rejection of the sample without increasing the complexity of the verification; the use of software algorithms imitating human thinking to develop a strategy in uncertain conditions; obtaining data from non-traditional sources of information: mass media and social networks, combining data with financial information in the search and analysis of relationships.

2. Increasing the quality of trends.

Predictive analytics, based on digital technologies, can gain a deep understanding of the client's business, its environment, competitors, accurately determine business risks, and check future probable results.

3. Creation of "smart platforms".

The use of cloud technologies enables the interactive mode of remote use of data, their automated processing and visualization.

Of course, both the set of digital tools and their specific application will be determined within the framework of a certain audit service and will depend on the specifics of the client company and the characteristics of the task. It can be benchmarking as a process of finding a standard or reference more cost-effective competitor to optimize one's business processes based on the analysis of its activities; the use of machine learning to develop independent estimates and subsequent comparison with management staff estimates; analysis of contracts for unusual terms or provisions, which allows to identify problems, including in the field of fraud; frameworks for the development of automation of routine processes in audit practice; drones for counting stocks and construction work; mining technology for evaluating the effectiveness of internal control over financial reporting, etc.

At the same time, along with the growth of financial costs for the implementation of digital technologies, the digitization of audit may have other problems – it will meet resistance, because it will require changes. As which D. Barr-Pulliam, H. Brown-Liburud and I. Munoko in the work [4] single out the following:

1. Training and skills.

Accounting curricula currently lag accounting and auditing practice worldwide. It is not only about modern digital tools, technologies of business processes and information processing, but also about critical thinking skills when interacting with new technologies. The introduction of new components into educational programs in the specialty 071 "Accounting and taxation" or the transformation of existing ones in domestic universities, the

use of certified programs by informal education platforms and professional accounting organizations can be a solution to this problem.

2. Conduct of the auditor.

There is a risk that auditors will not consider computer-generated advice or evidence. The fight against such bias will require time, a general change in trends in the use of artificial intelligence results by society, changes in audit standards: both international and internal.

3. Attitude of interested parties.

Currently, there is an ambiguous attitude of clients and users of audit reports to the auditor's use of digital technologies. On the other hand, it is the position of stakeholders, including regulators, that directly affects auditors' willingness to implement technology. The solution here may be to reduce the cost of audit services due to the use of digital technologies in compliance with the amount of acceptable audit risk, that is, the quality of the conclusions drawn.

Ukraine is currently characterized by a high degree of regulation of the audit services market. Therefore, the introduction of the necessary changes regarding the use of digital tools in audit practice into international auditing standards will automatically lead to the obligation to use them in domestic audits. It is possible that the Ukrainian practice of effective inspections in this case will become an argument for the involvement of digital technologies for foreign auditors.

Thus, it has been proven that the digitalization of audit is an undeniable trend in the development of financial expertise all over the world. The main directions of digitization of audit activities, the problems it faces, directions for their solution are considered.

The study of the directions of changes in the audit process and in the set of audit procedures, in connection with digitalization will be the direction of further research.

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