ACCOUNTING AND TAXATION

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DIGITALIZATION OF ACCOUNTING AND REPORTING IN THE ENTERPRISE FINANCIAL SECURITY SYSTEM

Digital transformation changes the requirements for accounting information as a basis for management decisions. Electronic document flow, integration of accounting subsystems and continuous updating of data shorten the interval between a business transaction, its recognition in accounting records and the assessment of its financial consequences. For financial security, this time factor is critical: delayed information may describe a threat correctly but still arrive too late for an effective response.

For Ukrainian enterprises, the issue has become more acute under martial law. Plekan links the relevance of accounting and analytical support for economic security with military actions, disruptions in logistics chains and the growth of financial and operational risks [3, p. 179]. In such conditions, management needs current information on settlements, cash flows, liabilities and the preservation of assets, rather than only retrospective reporting data.

The role of accounting and analytical information in enterprise security has been addressed in a number of Ukrainian studies. Kraievskyi, Tytenko, Paianok, Bohdan and Hmyria examine accounting and analytical support for assessing the level of enterprise economic security [1, p. 87]. Tomchuk and Serdiuk emphasize information technologies, automation, digital technologies and monitoring as relevant directions for the development of such support [2, p. 236]. Resler identifies a time and analytical gap between financial information formed mainly post factum and the preventive nature of risk management, and argues for integrating accounting procedures with analytical mechanisms, digital monitoring and internal control [4, p. 90].

Financial security is considered here as a functional component of enterprise economic security. Its accounting dimension is associated with the ability to maintain solvency and financial stability, control assets and

liabilities, manage cash flows and limit potential losses. A substantial part of the information required for these tasks is generated by accounting and financial reporting. The Law of Ukraine "On Accounting and Financial Reporting in Ukraine" defines financial statements as reporting that contains information on an enterprise's financial position and performance [5].

The purpose of the study is to substantiate the role of accounting and reporting digitalization in the information support of enterprise financial security and to determine how accounting indicators can be used to identify financial threats at an early stage.

The use of digital technologies does not by itself strengthen financial security. The practical effect arises when accounting data are converted into indicators that can reveal an adverse change before its consequences become critical. For example, the amount of receivables at the reporting date is insufficient for managing the risk of non-payment. Management also needs the maturity structure, the overdue share of debt, concentration by counterparties and changes in these parameters over time. The same principle applies to liquidity, cash flows, costs and asset preservation.

Digitalization creates the technical basis for this work through automated data capture, integration of accounting data, prompt updating of indicators, access control and backup. The result, however, depends on the quality of source data, internal control and continuity of the information infrastructure. Therefore, the contribution of digitalization to financial security should be assessed not by the number of automated accounting operations, but by its ability to shorten the time between the occurrence of a deviation, its identification and the corresponding management response.

The proposed information flow from accounting data to a financial-security decision is presented in Fig. 1.

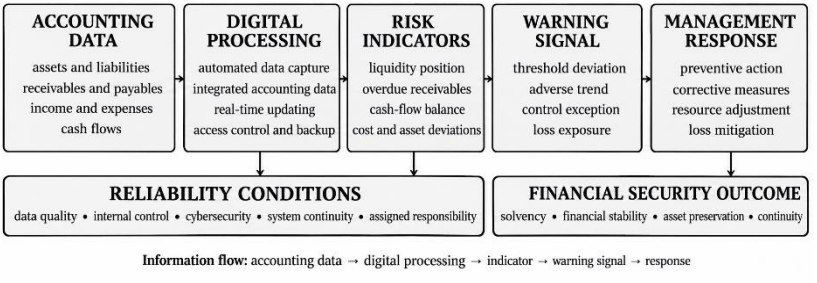


Figure 1. Accounting information flow in financial-security management

Source: developed by the author

Figure 1 separates the technological and managerial stages of digitalization. Accounting data form the information base; digital processing improves their timeliness and integrity; monitoring converts them into indicators; and a warning signal links a deviation with a management response. Data quality, internal control, cybersecurity, system continuity and assigned responsibility are treated as reliability conditions for the entire chain. A technically advanced accounting system therefore does not create a security effect unless risk signals and response procedures are defined.

For practical purposes, monitoring should focus on a limited set of accounting indicators linked to specific financial threats. The proposed analytical chain is: accounting indicator -> warning signal -> management response. Table 1 presents selected examples based on data routinely generated in accounting.

Table 1

Accounting indicators and responses to selected financial-security threats

Financial-security threat	Accounting indicator	Warning signal	Management response
Liquidity shortage	cash balance; current liabilities; payment schedule	projected cash deficit or falling liquidity buffer	reprioritize payments; arrange short-term financing
Customer non-payment	receivables ageing; overdue share; debtor concentration	rising overdue share or excessive concentration	revise terms; limit exposure; intensify collection
Loss of control over assets	asset location and movement records; inventory status	unconfirmed existence or unexplained movement	verify records; perform inventory; strengthen asset control

Source: developed by the author based on the provisions summarized in [3, pp. 182–186; 4, pp. 96–98]

The indicators in Table 1 are diagnostic, not universal. Threshold values depend on the enterprise's business model, financing structure and

operating environment. Digital monitoring does not replace professional judgement; it identifies deviations that require judgement and a defined response.

Continuity of information flows is a separate requirement. The Law of Ukraine "On Electronic Documents and Electronic Document Management" establishes the organizational and legal principles of electronic document management and the use of electronic documents [6]. Access control, backup, data integrity and restoration procedures therefore support accounting-system resilience and control over settlements, assets and current obligations when normal operations are disrupted.

The security effect of accounting and reporting digitalization arises when reliable accounting data, risk-oriented indicators and a defined management response are connected. Its practical value lies in reducing the interval between the emergence of a financial threat, its identification in the accounting system and the decision taken in response. Further research should substantiate indicator sets and materiality thresholds for automated monitoring while preserving professional judgement and internal control.

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