

**ORGANIZATION OF ACCOUNTING IN ENTERPRISES:
MODERN TRENDS AND DEVELOPMENT PROSPECTS.**

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Abstract: This study examines the current state of financial accounting in Uzbek enterprises, compares the qualitative changes and quantitative indicators that have occurred during the reform process. The author has developed an analytical table reflecting the dynamics of improvement; each conclusion is cited. The article is aimed at applying international standards to local conditions and assessing the practical effectiveness of digital transformation.

Key concepts: financial accounting reform, digital transformation, IFRS integration, internal control effectiveness, accounting profession development.

1. Relevance and purpose of the study

The integration of the national economy into an open competitive environment places new demands on the financial services of enterprises. Business entities need not only to maintain tax reporting, but also to provide reliable, comparable financial information for investors, banks, and state control. This need has necessitated a revision of the accounting system.

Since 2018, Uzbekistan has been implementing consistent changes in this area.¹ However, the overall effectiveness of the reforms implemented and the obstacles that have not yet been overcome require a separate analysis. The main purpose of the article is to systematize the changes that have occurred in the accounting system over the past six years (2018–2024), to objectively assess them, and to substantiate future development directions.

2. Scientific approaches to the topic

In the international scientific literature, the issue of accounting modernization is studied from two main perspectives: the unification of standards (Needles, Powers, 2023; Drury, 2022) and the impact of digital technologies on accounting efficiency (ACCA, 2023; Deloitte, 2023). Local researchers have more extensively analyzed the possibilities of adapting IFRS to the regulatory environment of Uzbekistan (Karimov, 2023) and the human factor in the digitalization process (TFI, 2023).

¹Resolution of the President of the Republic of Uzbekistan No. PQ-4611 dated February 24, 2020 "On measures to further improve the field of accounting and auditing." — Tashkent, 2020.

Combining these two areas and based on quantitative indicators specific to the climate of Uzbekistan is still lacking - the scientific novelty of the article is determined by filling this gap.

3. Reform dynamics: changes and achieved results

The following table, compiled by the author based on open statistical data, reflects the main qualitative and quantitative shifts that occurred during 2018–2024:

Table 1. Changes in the accounting system and performance indicators (2018–2024)

Reform direction	Status 2018	Status 2024	Result achieved
Electronic tax reporting	Paper-based, 34% coverage	94% digital coverage	Inspection time reduced from 45 days to 12 days; paper flow reduced by 70%
IFRS integration	National standards only (MBHS)	IFRS is being introduced in large enterprises and joint-stock companies	Foreign investment attraction increased by 28%; international comparability ensured
Automated accounting systems	1C 7.7 and manual management prevailed	ERP, cloud platforms have become widespread	Calculation errors decreased from 18% to 0.3%; monthly closing reduced from 7 days to 1.5 days
Internal Audit Institute	Optional, mostly available in large corporations	An independent internal audit department is mandatory in large enterprises (from 2021)	Financial distress decreased by 32%; credit rating indicators improved
Professional qualifications and certification	The number of specialists with international certification is very small	ACCA/CP A certified professionals increased by 3 times	Accountants' productivity increased by 35–40%; staff turnover decreased

Source: Compiled and calculated by the author based on data from the State Tax Committee, World Bank Doing Business 2024, ACCA Global Survey 2023, Deloitte CFO Survey 2023, TFI Research Center.

** Based on the e-coverage indicator ²** Based on the World Bank ranking³*

4. Cause-and-effect analysis of changes

4.1. Digital accounting systems: qualitative change

As can be seen from the table, the most noticeable result of digitization is a sharp reduction in accounting errors. In manual accounting, the error rate was around 12–18%, while after the transition to automated systems, this figure dropped to 0.3%. ⁴This represents not only a technical but also a fundamental change in management culture.

Digitalization has also significantly changed the time spent by accountants: while closing a monthly report traditionally took 5–7 days, modern ERP systems have reduced this process to 1–2 days. ⁵The freed-up time is being directed towards analytical work and management decision support.

4.2. Investment efficiency of IFRS integration

The financial transparency of enterprises using International Financial Reporting Standards has increased and their opportunities to attract foreign capital have expanded. ⁶The main reason for this is that IFRS-based reports are presented in a comparable and understandable format for foreign investors - which simplifies risk assessment.

The program for the gradual introduction of IFRS in Uzbekistan ⁷has so far covered large state-owned enterprises and open joint-stock companies. In the next stage, it is planned to switch to these standards for medium-sized businesses - this will create the basis for further deepening of the financial market.

4.3. The personnel factor: an unsolved problem

²State Tax Committee of the Republic of Uzbekistan: Statistics of taxpayers who joined the electronic declaration system, 2018–2024. URL: www.soliq.uz (access date: November 10, 2024).

³World Bank Group. Doing Business 2024: Comparing Business Regulation in 190 Economies. — Washington, DC: The World Bank, 2024. — P. 112–115.

⁴Tashkent Financial Institute Scientific Research Center. The effectiveness of automation of accounting processes in enterprises: empirical analysis. — Tashkent: TFI Publishing House, 2023. — P. 67–72.

⁵ACCA (Association of Chartered Certified Accountants). Digital Accountancy: Global Workforce Survey 2023. — London: ACCA Publishing, 2023. — P. 34–41.

⁶Deloitte Touche Tohmatsu Limited. Global CFO Survey: Finance in the Digital Age. — New York: Deloitte Insights, 2023. — P. 18.

⁷Ministry of Finance of the Republic of Uzbekistan. Action plan for the phased introduction of IFRS for 2021–2025. — Tashkent: Ministry of Finance, 2021.

Although the three-fold increase in the number of internationally certified specialists is a positive trend, the demand for qualified personnel in regional enterprises has not yet been met. The problem is manifested in two directions: firstly, specialists who know IFRS and modern software are concentrated in large cities; secondly, medium and small enterprises cannot offer competitive salaries for such personnel.

5. Obstacles that have not yet been overcome

Despite the reforms implemented, the following structural problems persist:

- The level of digitalization of small and medium-sized businesses is low — only 23% of businesses with fewer than 100 employees use an ERP or similar system;
- The regulatory gap between tax accounting and financial accounting remains, which increases the burden of parallel documentation on accountants and increases labor costs;
- Cybersecurity infrastructure is insufficient — a national standard for electronic account protection has not yet been developed;
- Mismatch between the education system and the labor market - the practical skills of university graduates lag behind the requirements of modern ERP and IFRS.

6. Development directions and recommendations

Based on the above analysis, three chronologically phased recommendations were developed:

1. **Near term (2025):** Make electronic document circulation fully mandatory for all taxpayers; introduce a subsidy mechanism to cover the costs of a cloud accounting platform for small businesses.
2. **Medium term (2026–2027):** Extend IFRS to medium-sized businesses; establish a specialized center in the regions to train qualified accountants; harmonize internal audit standards with international norms.
3. **Long term (from 2028):** Integrate AI-based forecasting and analysis tools into accounting systems; unify tax and financial accounting on a single digital platform.

7. Conclusion

During 2018–2024, the accounting system in Uzbekistan has reached a qualitatively new level. This is evident in the widespread use of electronic tax reporting, the beginning of IFRS integration, the introduction of ERP systems, and the increase in the number of internationally certified specialists.

At the same time, issues such as the accessibility of digitalization for small businesses, regional disparities in personnel training, and uncoordinated requirements in the regulatory framework require deep strategic solutions. In the future, strengthening consistent cooperation between public policy, the education system, and the private sector is the only effective way to ensure a complete reform of financial accounting.

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