



Received: 02-01-2024
Accepted: 12-02-2024

International Journal of Advanced Multidisciplinary Research and Studies

ISSN: 2583-049X

Trends in Digital Accounting Development in Vietnam

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Abstract

In the current trend of digital transformation and application of new technologies taking place very quickly in the world, Vietnamese accountants cannot stand aside. The context of integration and digital transformation has shown that to enhance the role and position of accounting requires accountants to provide stakeholders and managers in the economy with comprehensive information, timely and reliable. At the same time, accountants need to make efforts to innovate and continuously improve professional processes based on effective investment in human resources and new technology in professional activities. Digital accounting is changing the way of working, processes and accounting methods through the integration of digital technologies into the organization of accounting work and the organization of the accounting apparatus at businesses in

order to change the organization of accounting work. Changing the way of operating, processing model, providing information and bringing higher efficiency and new values. Digital accounting can be understood as the process of changing the old, traditional model of processing, synthesizing and providing economic and financial information to a digital technology model based on new technology applications. such as the Internet of Things (IoT), big data, blockchain, cloud computing,... to change operating methods, accounting processes, service delivery processes and labor culture in the accounting profession. Maths. The article analyzes the trend of developing digital accounting in the context of integration and the 4.0 industrial revolution, thereby offering solutions to develop digital accounting in Vietnam in the coming time.

Keywords: Digital Transformation, Digital Accounting, Accounting Process Automation

1. Introduction

The Fourth Industrial Revolution is taking place worldwide, strongly affecting all economic, social, cultural activities and areas of life, changing human habits. Scientific, technical and digital achievements are used to enhance business management capacity. The digital economy has formed. The emergence of the Internet of Things, artificial intelligence (AI), Bigdata, Blockchain requires and creates opportunities for businesses to change business methods, improve corporate governance efficiency, create new values with less cost, accountants change the way they perform information organizing and providing information. Facing the impact of the 4.0 industrial revolution, Vietnamese businesses and accountants face many opportunities and many challenges. Digital accounting is not only a global trend, but also has an extremely profound impact on all areas of the economy - politics - society. Digital accounting is one of the important contents, a key factor in the context of increasingly deep international integration and increasingly fierce competition.

According to a survey by the Association of Small and Medium Enterprises in Hanoi in August 2020, the issue of digital transformation and digital governance has attracted the attention of nearly 90% of businesses, but the proportion of businesses willing to invest in digital transformation activities is only about 40%, due to many different reasons, such as: limitations in human resource qualifications, infrastructure, financial resources, and digital thinking (Nguyen Thi Ngoc Anh, 2020) [7]. At the same time, research on digital transformation, specifically digital accounting, in Vietnam is still very limited. Therefore, this author's research was conducted with the goal of providing more reliable evidence about the usefulness of digital accounting, thereby confirming the necessity of applying digital accounting in Vietnam.; Digital accounting development trends in Vietnam; at the same time, give some specific recommendations when implementing digital accounting in Vietnam.

2. Research overview

Digital accounting concept

Digital accounting is the process of digitizing and automating accounting processes based on modern technologies. Applying digital accounting will bring many benefits to businesses such as shortening the time to approve activities, close books, and prepare reports; Wider scope of operations, faster service delivery time; reduce error rates in operations; Save costs of hiring accountants and record keeping costs; improve the working efficiency of the accounting department and at the same time improve information security (Deshmukh, 2006)^[3].

The benefits of digital accounting

Firstly, it helps connect and shorten the distance between departments in the business management and operating structure, operational departments, and accounting operations

When applying digital transformation, the information link between departments in the business is connected on the basis of a unified technology system, helping problems that arise in the business to be resolved as soon as they occur. And the operation is not obstructed, does not cause negative impacts on business operations, such as: Direction and decisions of management levels, grasping and resolving problems in business operations. Digital transformation applications will break down the barriers between departments in the business and between operational areas thanks to a multi-dimensional, multi-functional digital connection platform between departments. Thereby, accounting activities will be improved in terms of quality, reliability and timeliness of information, accounting work of operations will take place smoothly, smoothly, etc. For management information, accounting and financial information, operators are proactive and easy to transmit, easy to retrieve, grasp the situation and developments of business activities faster and more promptly. That creates conditions for the internal control and internal audit systems to operate effectively and manage businesses effectively and transparently.

Second, increase the effectiveness and efficiency of business decisions

Digital accounting helps business owners and managers (CEOs) be completely proactive in operating, promptly capturing information and evaluating business operations. Businesses can maximize the working capacity of employees in different departments through information provided by accounting. In accounting activities, simple tasks with low added value can be automatically performed by digital accounting at no cost to the business, while also helping accountants and auditors have more time. Time to improve expertise and skills, have more time and intelligence to increase the quality of consulting activities, especially consulting on corporate governance and consulting on risk management in business. Digital accounting also helps managers and leaders easily evaluate the quality of each employee's work through reporting data. The digital platform helps accounting organizations, accounting and auditing service businesses run business activities, manage business, and manage accounting information organization activities effectively. Accuracy and quality, improving the quality and reliability of business decisions.

Third, improve labor productivity and efficiency in organizing accounting information

With digital technology application platforms, digital accountants can create and provide economic and financial information products, provide accounting and auditing services with higher productivity and efficiency, creating Establish a warning system for business risks and take effective preventive measures. Digital accounting applications optimize labor productivity to help accountants create higher value for economic and financial information and for the accounting profession.

Fourth, increase the quality of accounting information

Digital accounting helps accountants constantly create high-quality information products and accounting services, limit errors, limit misleading and outdated information, and increase reliability and usefulness short.

Fifth, innovate the accounting information processing model and improve the capacity of accountants

Digital accounting is an opportunity to innovate methods of creating information value for users, developing useful features of information, accounting services and new utilities of information, the life cycle of information. Economic and financial information is more general and comprehensive. Risks in processing accounting information and using accounting information are limited. From there, accounting units strengthen the management and optimization of accounting information organization activities.

The application of technology solutions not only contributes to improving the capacity of accountants, business administration, saving costs, and avoiding errors due to input information. Thereby, focusing resources on improving the process of rendering and using accounting information for business decisions and managing business activities, improving information quality and accounting service quality. At the same time, it more fully and accurately meets the needs of accounting information users, helping businesses easily participate in the information product value chain. That is also a requirement to improve the capacity of accountants and corporate governance capacity to a higher level.

In the coming future, the work of accountants will require the use of advanced information systems and artificial intelligence to perform a number of tasks, such as analysis, reporting and execution of results. Desired output. Therefore, it can be said that the tasks related to management accounting and financial accounting are influenced or developed as a result of the digital revolution itself (Kruskopf *et al.*, 2020)^[4]. Therefore, to quickly absorb and grasp modern technologies, accountants need to continuously learn new skills (Daugherty and Wilson, 2018)^[2].

Thus, applying digital accounting in businesses is a very necessary thing and must be done if businesses want to develop sustainably in the current digital age.

3. Digital accounting development trends in Vietnam in the context of integration

Automate accounting processes

Automating many accounting processes is an important trend in the industry. Automation eliminates confusion and minimizes errors, which is why companies tend to invest

more in automated solutions. Since this process relies heavily on computers, businesses face the risk of falling victim to fraud and having their security compromised. This leads to an increased need for internal accountants to check for any data inaccuracies.

In the coming years, it will have the highest impact across several industries, enabling accountants to utilize data and optimize processes for both small business and large enterprise accounting software. Accounting automation also allows businesses to arrive at data-driven decisions faster than ever before.

Outsourced accounting services

Businesses are now outsourcing accounting functions and enjoying many benefits from this service. Outsourcing allows businesses to focus more on their limited resources, increasing profits. It also helps save on costs such as salaries, taxes, wages, benefits and training costs. Therefore, outsourcing accounting functions is becoming a popular strategy for many businesses.

This gives rise to the number of outsourced accounting service providers. This is one of the fastest growing areas in the accounting industry. The survey shows that businesses feel satisfied with the value and results of their outsourced accounting. Outsourcing is now an increasingly important method for CPA firms to provide effective services to their clients, as well as analyze business performance and add value to their businesses. Surname.

The rise of accounting software

The adoption of technology-based solutions in the accounting industry will intensify in the coming years. As the demand for computerized accounting increases, accounting software companies are addressing this need with powerful solutions. These software platforms feature a range of software functions that accountants value most, such as optimizing processes and minimizing manual tasks.

Cloud-based accounting

Cloud computing is becoming popular for accounting services. With this system, companies and businesses can access their system at any time allowing them to track inventory, sales and costs. Furthermore, cloud-based solutions also enable workflow creation, saving businesses valuable time. Thus, about 67% of accountants now believe that cloud technology can make their role easier.

This is according to a survey conducted by Sage, which also found that 53% of respondents used cloud-based solutions for project management and customer communication. This may be related to the increase in demand for advanced technological solutions from various industries. Among them is the accounting industry, which is making a quantum leap toward more comprehensive and effective financial reporting and analysis.

From accountant to expert

Experts are predicting a hybrid approach between accounting technology and financial advisor input in the near future. This comes from the discovery of new solutions for analytics that allow accountants to focus more on decoding data for deeper insights. Unlike other tasks in the accounting process, decision making will always be in the hands of experts and humans.

Trend of remote working

Employers today are having difficulty finding talent in the accounting field. Therefore, leaders are adapting to the trend of allowing employees to participate in remote work to ensure the best benefits for candidates. According to a survey published by Convergence Coaching, approximately 43% of CPA firms are providing opportunities for their employees to work from home on a regular basis. This was not possible in the past. However, with the advancement of technology and the emergence of computerized accounting systems, accountants working from home can produce just as excellent results in their work as they would in the office.

4. Solutions to improve digital accounting in businesses

Digital accounting brings many benefits to businesses, so the author recommends that businesses in Vietnam quickly transform digitally to create sustainable development and improve their competitiveness in the market. For businesses to successfully transform digitally, support from the government in the process of implementing digital accounting through regulations, policies and legal frameworks is a top important content (Wong *et al.*, 2019; Pham Minh Duc, 2020)^[6].

First of all, it is necessary to raise awareness of leaders of organizations, businesses, and units about digital accounting. Managers and accountants need to fully understand digital transformation, digital economy, and digital accounting; we need to see all the benefits of digital technology applications... to make decisions and policies that are appropriate to the capacity and financial capacity of the business. Digital transformation is the process of using data and digital technologies to change the methods and processes of organizing accounting and auditing information systems, overall and comprehensively changing the way accounting and information information is handled. how to perform operations of accountants and accounting units. Digital accounting is the process of changing from the traditional model to digital technology by applying new technology and achievements of the 4.0 Technology Revolution, such as big data (Big Data), Internet of Things (IoT.), cloud computing (ICloud), chain data (Blockchain)... change the way information is organized, accounting processes and accounting methods, and accounting profession culture. Digital accounting brings many benefits such as cutting transaction processing costs, accessing and creating many types of information, and many utilities of information in a certain time, helping managers and investors. Make management and business decisions more quickly and accurately thanks to a complete, reliable and timely information system. Thereby, business performance and competitiveness of enterprises are improved. Digital accounting is not only about information processing technology in accounting activities but must start from the model of organizing accounting work, organizing processing processes, providing information and especially leadership thinking. Leadership, management thinking, and administration. Digital accounting needs to accompany managers and business administrators, associated with development strategies and improving information quality. It is necessary to raise awareness and understanding of the nature of digital accounting, technology trends in the accounting field, and prepare the capacity to access technology, infrastructure systems, and change regulations.

Process, change the way of management, the way of conducting digital accounting activities to meet the trend of digital technology.

Second, it is necessary to proactively learn and select digital technologies suitable for the accounting profession in the field of activity, thereby choosing partners to provide solutions and technologies to digitalize operations. your accountant. For accounting units in the economic and financial sector that have a direct impact on the structure of the economy and the structure of the financial market, awareness of the urgency of digital accounting is inevitable. There needs to be a very specific direction and long-term strategy. Managers and accountants need to have a full understanding of corporate governance and accounting in the 4.0 Industrial Revolution. It is necessary to improve the capacity to manage economic and financial information in the field of accounting. Information management methods must innovate with simple but modern and effective operations.

Third, proactively invest in equipment and technology systems in accordance with the speed of development of national information technology infrastructure, the speed of development of the internet, and applications of new technologies due to the industrial revolution. Industry 4.0 brings. It is necessary to invest in information technology systematically. Careful consideration and risk assessment are necessary but should not be too slow.

Need to improve the level of technology application: New technology comes with requirements for skills and knowledge that must be updated to quickly adapt to the changes of the 4.0 industrial revolution. It is necessary to create a link in technology and management support software.

Fourth, it is necessary to have policies to develop accounting human resources, to recruit and train high-quality human resources with in-depth understanding of the organization of economic and financial information systems, information technology, and technology applications. Digital technology, network management... serve the digital accounting process of businesses. It is necessary to soon form a digital accounting subject and include it in the accounting and auditing training programs of training institutions. Prepare human resources for the next 5 - 10 years in digital technology accounting. Policymaking agencies need to change the perception and content of regulations and instructions on accounting regimes, on the provisions of Accounting Standards and Financial Reporting Standards.

Large businesses have a lot of experience and most have enough financial and human resources to carry out digital transformation. However, small and medium-sized enterprises have limited financial and human resources, making digital transformation a big challenge. Small and medium-sized enterprises account for a fairly large proportion, about 97% of the total number of businesses operating in Vietnam. Therefore, the author recommends that the government pay more attention to small and medium-sized enterprises, promulgating specific policies to provide financial support as well as support human resource training for these subjects.

To successfully deploy digital accounting, businesses need a highly qualified human resource to carry out and complete the set tasks. Therefore, educational institutions need to pay more attention to building an innovative training program,

consistent with the world's development trends. Specifically, learners should be equipped with more knowledge and skills about applying information technology in their majors.

Professional associations play an important role in connecting businesses with each other, helping businesses have the opportunity to exchange and share practical experiences on applying digital accounting in their businesses; Promote building relationships with professional associations around the world, in order to transfer more knowledge and modern technology on digital transformation to domestic businesses.

Surely, Vietnamese accountants and auditors with bravery, intelligence and determination will succeed in the digital transformation process at businesses, helping businesses sustain, develop and enhance competitiveness., improve business efficiency.

5. Conclusion

Digital accounting brings many benefits to businesses, some businesses are currently investing a lot of resources in digitizing accounting processes to create a leading business advantage. Therefore, Vietnamese businesses should soon have a roadmap to apply appropriate digital accounting for themselves.

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