

Modern control in the era of digitalization

Monograph

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Summary: The idea for this research has been superimposed and shaped for several years, influenced mostly by the rapid development and use of new modern technologies in business and society that we are witnessing. As well as their implementation for the development of new business models, including in accounting and control as part of the business, especially for supporting and consulting managers to make the right management decisions. K. Kelly's book "Out of Control", written in 1994, gave a certain impetus to this research. and published in our country in 2016. It shares the thesis of joint control, as a special spectrum where at one end is the total dominance of control as a whole, and at the other end is the complete lack of control, and in between there are some varieties of control for which there are no precise formulations. Is something unfamiliar? And however, according to the author, the problem is in the control! In terms of structure, the study consists of 299 pages, covering Introduction, four Chapters, Conclusion and References.

The nature and characteristics of control, its origin and development, the financial control applied inside the organizations, as well as the external financial control and its control bodies, including the audit, are consistently examined. The last chapter is entirely dedicated to digitalization in business and control, starting from the industrial revolutions we know led to the emergence of new and modern technologies leading to convert data, digitization and digital transformation in both business and society in recent years.

The opportunities for digitization in accounting have been examined successively, without which it is impossible to talk about digitization in control, paying attention to the possibilities for digitization in internal control, external control related to tax control and audit as an evaluation control. At the end, I consider the possible negative consequences of ubiquitous digitization, among the many positives it presents us with.

The study can be conditionally divided into two parts, theoretical and practical, with the first examining the financial control currently applied in our country and its varieties based on the current legal framework and the author's view on the exercised internal control and audit, as well as external control and audit as an evaluative control.

In its second part, the study is entirely devoted to new technologies, digitalization and digital transformation in business, and more specifically, digitalization in accounting and control, which is imperative as part of it. It is impossible for accounting and control to lag behind these changes in business, because without their digitization, it would not be possible in business either.

In this part of the monographic study, an answer is sought to the questions, how and in what way, these new technologies can find a place and be implemented in accounting and control, and options or models are proposed for the studied areas, starting from accounting, internal control and audit, financial and tax control, as well as independent audit.

From the point of view of the mentioned and the specificity of accounting reporting and preparation of reports, as well as their control and audit in the new conditions of digitization and digital transformation, determines the relevance of the present study, which is also strengthened by the fact that it is already a highly debated topic, but it is still little affected in previous theoretical developments, but it is useful and significant for practice.

The purpose of the present monographic study is, based on the current theoretical and normative statements, to investigate the possibility of applicability in accounting and control of digitization and digital transformation to increase their quality and customer satisfaction.

The goal, defines the tasks as:

- Research on the place of accounting and control in business and the Economy;
- Investigating the need for development and improvement of accounting and control;
- Research achievements in new technologies, their possibilities and field of application;
- Research new technologies and their application in accounting and control;
- Research on the application of digitization and digital transformation in accounting and control.

The object of the research is accounting and control and the possibilities for implementation and use of digitization.

The subject of the study is the nature and importance of digital technologies for accounting and control, as part of new business models. The methods used in the research to achieve the goal and solve the tasks are methods of scientific knowledge, analysis, induction, deduction, analogy, comparison, modeling, etc.

The research is not, and cannot be, comprehensive and makes no claims to completeness and comprehensiveness, subject to the following limitations:

- Bibliographical sources available at the end of 2022 were used;

- The research is limited in the scope of the general theory of accounting and of financial control and auditing, such as evaluative control;
- The research is in accordance with the current legal basis in the area;
- The study does not claim to be comprehensive in relation to other types of control, and in relation to the various new technologies and possibilities.

Results

The research has achieved its goals and provides an answer to the set tasks by enriching the theoretical and practical aspects in accounting and control, in conditions of application of new technologies and their manifestations through digitalization and digital transformation, both in business and in accounting and control.

As a summary of the results of the research it is possible to also made the following contributions:

- Theoretical and practical accounting knowledge and understanding of control are enriched;
- The relationship between accounting and control, the need for preparation and transmission of accounting information for management and control in the conditions of digitalization;
- The manifestation of digitization and digital transformation in accounting and control was investigated, as well as the possibilities offered to facilitate work, faster reporting and checks in real time, to transmit the necessary information and improve the quality of work and mandatory transparency in business processes;
- Various models have been studied and the impact of digitalization on accounting and control has been analyzed, when implementing new models for work in them, with the redundant condition that control will turn from a simple recorder of errors and deviations in the past, into a direct consultant to the management in the future time for predictable results to bring value to the organization and customers.

From the results achieved in the research, the following conclusions and questions seeking answers can be made, arising from the application of digitization and digital transformation in accounting and control, namely:

- Providing investment funds for new technologies, for business and for new software products for accounting and control, and this against the background of the long-standing superimposition of the wrong opinion that accounting is not important and a priority;
- The preservation of the transmitted information, from hacker attacks providing and cyber security for this;

- How to increase the knowledge, skills and competence of accountants and auditors in order to work in the new digital conditions with the corresponding requirements?

- Preserving the jobs of accountants and auditors in conditions of digitization; -how to find new specialists, if the current ones do not cope with the new requirements, how will generation "Z" cope, will they be easy to find, etc. "talents" and who will train them?

- Will the professions of accountant and auditor disappear, and will they be replaced by artificial intelligence in the future?