

PROBLEMS OF EVALUATION OF QUALITY OF ACCOUNTING IN THE SYSTEM OF MANAGEMENT BY THE ENTERPRISE

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In many enterprises, accounting is still perceived as a purely reporting function rather than an analytical instrument. This leads to:

- poor communication between accounting departments and management;
- delays in the transfer of financial data;
- limited use of advanced analytical tools (cost modeling, forecasting, variance analysis).

Such fragmentation reduces the ability of managers to evaluate performance accurately and make timely decisions.

Low Transparency and Weak Internal Control

The evaluation of accounting quality is highly dependent on internal control mechanisms.

Common weaknesses include:

- insufficient segregation of duties;
- inadequate audit trails;
- lack of automated control procedures;
- human errors and risks of manipulation.

Without strong internal control, management cannot ensure the reliability of data used for planning, budgeting, and strategic evaluation.

Lack of Professional Competencies

The quality of accounting depends largely on the professionalism of accounting personnel.

Current challenges include:

- outdated knowledge of accountants;
- limited competence in IFRS;
- lack of training in digital tools and data analytics;
- insufficient understanding of managerial information

needs.

This competency gap directly affects the accuracy and usefulness of accounting information in management systems.

Influence of Digitalization and Technological Change

Digital technologies significantly reshape the accounting function. While automation improves accuracy, new risks arise:

- incorrect configuration of accounting software;
- insufficient cybersecurity;
- data inconsistency between digital systems;
- limited ability of staff to work with advanced digital

platforms.

These technological constraints complicate the evaluation of accounting quality, as enterprises must assess both financial and digital reliability.

4. Impact of Low Accounting Quality on Enterprise Management

When accounting information is unreliable, enterprise management suffers in multiple ways:

- Strategic decisions become distorted, affecting investments, pricing, and market expansion.

- Budgeting and forecasting lose accuracy, reducing the enterprise's ability to plan effectively.

- Operational control weakens, leading to inefficiencies, excessive costs, and errors in resource allocation.

- Financial risks increase, including liquidity problems and poor credit ratings.

- Stakeholder trust diminishes, affecting cooperation with banks, investors, and regulators.

Thus, the evaluation of accounting quality is directly connected to the overall efficiency of enterprise governance.

Directions for Improving the Evaluation of Accounting Quality

Implementing Unified Evaluation Criteria

Enterprises should adopt standardized indicators of accounting quality, including accuracy rates, timeliness metrics, completeness, and compliance indicators.

Frameworks such as IFRS and COSO can serve as methodological bases.

Strengthening the Internal Control System

Measures include:

- risk-based internal auditing;
- automated control procedures;
- regular verification of accounting entries;
- enhanced cybersecurity protocols;
- introduction of audit committees.

Integrating Accounting with the Management System

Improvement requires:

- transforming accounting into a decision-support function;

- digital integration of financial and managerial accounting systems;

- use of big data, analytics, and predictive tools;

- establishing effective communication channels between accountants and management.

Professional Development and Training

Continuous improvement of accounting personnel competencies is essential.

Training should cover:

- international standards (IFRS);
- digital accounting systems;
- managerial accounting techniques;
- financial analysis for decision-making.

Adoption of Digital Technologies

Enterprises should modernize their accounting infrastructure through:

- ERP systems;
- automated reporting tools;
- cloud-based data storage;
- artificial intelligence for anomaly detection;
- blockchain for verification of accounting entries.

These technologies enable more accurate and faster evaluation of accounting quality.

The evaluation of accounting quality is a fundamental component of enterprise management. High-quality financial information ensures transparency, improves strategic decision-making, and strengthens the competitive position of the enterprise. However, numerous methodological, organizational, and technological challenges hinder the effective assessment of accounting quality.

To overcome these problems, enterprises must develop unified evaluation criteria, enhance internal controls, strengthen the link between accounting and managerial processes, invest in professional training, and implement modern digital tools. Systematic improvement in these areas will significantly increase the reliability of accounting information and enhance the overall effectiveness of enterprise management.

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