Research on the Development of Digital Accounting in China from the Perspective of Enterprise Development

Xingzhi Ma*

Baliuag University, Bulacan, Baliwag, 3006, Philippines
*Corresponding author: 383542325@qq.com

Abstract: Digital accounting refers to the process of using digital technology to record, process, and report corporate financial information. In reality, however, the practice of digital accounting in China faces many dilemmas, including technology, data, and standards that need to be innovated and improved, so that only in this way can corporate accounting activities achieve full digitalization and intelligence and promote sustainability of corporate development. Through expounding the current development trend of digital accounting in China, this paper points out the development dilemma of Chinese enterprises in implementing digital accounting practice. Through the efforts of information construction, data standardization, talent training, laws and regulations, this paper puts forward the realization path of enterprise financial Digital transformation, aiming to promote the development of global digital accounting and promote the sustainable development of enterprises with certain management and guidance significance.

Keywords: business development; digital accounting; trends; dilemmas; paths

1. Introduction

Digital accounting has become an important area of activity in China's corporate financial management, which uses digital technology to record, process, and report corporate financial information. Digital accounting can not only improve the precision and accuracy of financial information but also improve the efficiency of financial decision-making of enterprises, thus bringing more profits and competitive advantages to enterprises. However, some enterprises in China still face many dilemmas and challenges in the practice of digital accounting and need a series of efforts to achieve digital transformation. Only through innovation and improvement can digital accounting achieve sustainable development and create more value for enterprises.

2. Development trend of digital accounting

With the continuous development of digital technology in China, the application scope of digital accounting has been expanded, from simple data processing to complex financial forecasting and risk management, digital accounting has become an important tool for the decision-making of enterprises in China. The development of digital technology has not only improved the efficiency and accuracy of digital accounting but also promoted the globalization and green trend of digital accounting.

First of all, artificial intelligence technology is an important driving force for the development of digital accounting. Based on big data analysis and intelligent technology, artificial intelligence can automate the processing of financial data, generate financial statements, and conduct predictive analysis, which greatly improves the efficiency and accuracy of digital accounting. Artificial intelligence can also automate and de-trust digital accounting through smart contract technology to reduce the cost and risk of business operations (Haoran Wang, 2020; Lei Lu, Longmei Wang, and Lu Sun, 2022) [1-2].

Second, blockchain technology will also have a profound impact on digital accounting. Based on blockchain technology, digital accounting can achieve decentralization, de-trust, and de-duplication, which greatly improves the trustworthiness and reliability of digital accounting. Blockchain technology can also realize data sharing and data exchange in digital accounting, thus enhancing cooperation and collaboration in digital accounting (Cheng Hou, 2022) [3].
Once again, the globalization trend of digital accounting is irreversible. Digital accounting can meet the financial statement standards and legal and regulatory requirements of different countries and regions, as well as face different currency and tax policies and other issues. Establishing a globalized digital financial information sharing platform is the current main trend of global digital accounting data sharing, which can enable Chinese enterprises with multinational businesses or international operations to achieve global financial data collection, processing, and reporting, thus improving the international competitiveness of Chinese enterprises (Le Li, 2022) [4]. Therefore, the globalization trend of digital accounting should be paid attention to, and as the trend of global economic integration is highlighted, international cooperation and information sharing should be strengthened to achieve the interconnection of digital accounting information activities in all regions of the world and the mutual benefit of enterprise business activities.

Finally, the green trend of digital accounting is also an inevitable trend of digital accounting development. Digital accounting development can make use of green digital technologies, such as cloud computing, virtualization, and green data centers, to reduce energy consumption and carbon emissions. It is also necessary to consider the impact of environmental factors on enterprises, such as climate change and resource shortage, to achieve sustainable development of digital accounting. This means that developing digital accounting can take environmental measures to reduce the impact on the environment. For example, cloud computing technology can be used to store large amounts of data in the cloud, thus reducing energy consumption and carbon emissions in data centers. Also, virtualization technology can be used to reduce the number of servers and energy consumption by running multiple virtual servers on the same physical server. In addition, establish a green data center. Reduce energy consumption and carbon emissions by using renewable energy and energy-efficient equipment. These measures not only contribute to the sustainable development of digital accounting but also save costs for companies and enhance their environmental image and reputation. Therefore, the green trend of digital accounting can not only reduce energy consumption and carbon emission but also improve the environmental image and sustainability of the enterprise, laying a good foundation for the sustainable development of the enterprise.

3. The real dilemma faced in the practice of digital accounting in China

3.1. Technological dilemma

The practice of digital accounting needs to rely on modern technologies, among which artificial intelligence, cloud computing, blockchain, and other technologies play an important role (Nuo Wang and Fujin Hao, 2022) [5]. However, the maturity and reliability of these technologies still need continuous improvement (Xin Liu and Fuying Wang, 2023) [6]. In particular, artificial intelligence techniques require a large amount of high-quality data for training, and the financial data of enterprises often suffer from insufficient data volume or poor data quality, which will directly affect the accuracy and reliability of artificial intelligence algorithms. Therefore, the practice of digital accounting should focus on improving the technical capabilities of data collection, storage, and processing, as well as improving the security and reliability of digital technology. For example, in data collection, automated and intelligent methods can be used to collect and integrate data from different systems and channels, along with data cleansing and standardization, to improve the accuracy and integrity of data. In terms of data storage and processing, technologies such as cloud computing can be used to improve the scalability and reliability of data, and measures such as encryption can be used to ensure the security and privacy of data.

3.2. Data Dilemma

The implementation of digital accounting in enterprises relies on a large amount of data in supporting decision-making, but enterprise data are scattered in different systems, and data formats and standards are inconsistent, making it difficult to guarantee the accuracy and integrity of data, and there are also problems with confidentiality and security of financial data (Guiping Lu and Huanhong Zhao, 2022) [7]. Therefore, a series of measures are needed to solve these data dilemmas. Among them, efforts in data integration, data standardization, and data quality management can improve the consistency and accuracy of data, as well as the efficiency and reliability of data processing. In addition, there should be continuous improvement of data analysis capabilities and the use of modern technologies and methods to explore the potential of data to support better financial decision-making, which also requires continuous learning and innovation by accounting practitioners. Therefore, the
standardization, optimization, and innovation of data to achieve efficiency and accuracy in financial decision-making and to improve the competitiveness and sustainability of enterprises is an important way to develop digital accounting with high quality for Chinese enterprises at present.

3.3. Standards Dilemma

Digital accounting in practice relies on standardized financial data to support decision-making, but differences in financial statement standards between regions and industries make comparisons and analyses between companies difficult. In addition, increasing internationalization has increased the need for standardized financial statements for comparison and analysis among multinational enterprises. Jieyi Chen et al. (2022) pointed out that currently, there are some common financial statement standards internationally, such as International Financial Reporting Standards (IFRS) and U.S. Generally Accepted Accounting Principles (US GAAP) [8]. However, these standards still have some limitations due to the differences between different regions and different industries (Li Liu and Peili Yang, 2023) [9]. Therefore, digital accounting in China needs to be continuously improved and perfected in practice, and while establishing standardized financial statement standards, it is important to consider how to respond to the challenges brought by emerging business models and new financial instruments to financial statements and how to adapt to the needs of the digital economy. Therefore, continuous attention and research on changes in financial statement standards and related regulations, and active adaptation and response to new challenges and opportunities are the key breakthroughs for the current development of digital accounting in China to be in line with the development of financial accounting in the world.

4. High-quality realization path of China's digital accounting development

4.1. Construction of digitally intelligent integrated financial information sharing system to realize digital intelligence of enterprise activities

Digital accounting needs to rely on advanced information systems to support the collection, processing, and reporting of financial data. With the development of information technology, enterprises can choose to optimize the practice of digital accounting from various aspects such as cloud computing, big data, and artificial intelligence. Enterprises need to choose the information system suitable for their business according to the characteristics of their own business, integrate the data between different systems, and establish a digital financial information-sharing platform. Secondly, the construction of digital accounting requires the participation of all employees, which involves various aspects such as the organizational structure, business processes, and the quality of employees of the enterprise. For this reason, enterprises need to carry out relevant training and promotion activities in the process of digital construction to improve the digital awareness and skills of employees, making the digital transformation of enterprises more in-depth and extensive. In addition, digital accounting construction also needs to focus on information security and privacy protection. Enterprises should take corresponding measures to ensure the security and privacy of digital information and avoid data leakage and abuse. At the same time, it should strengthen the management and supervision of digital information, establish a perfect security guarantee system, and guarantee the security and stable operation of digital accounting from many aspects such as technology, system, and personnel.

4.2. Establish a sound enterprise data standardization system and strengthen the digital awareness and skills of enterprise employees

The success of digital accounting cannot be achieved without standardized financial data. Due to the differences in financial statement standards between different regions and industries, comparison and analysis between enterprises become difficult. Therefore, the standardization aspect of digital accounting needs to be improved and an international common financial statement standard should be established to make the comparison and analysis between enterprises more convenient and accurate. Second, enterprises should develop unified financial data standards, including standardization of financial statement formats, data fields, and data glossaries. These standards will provide a uniform database for digital accounting, facilitate comparison and analysis between enterprises, and improve the precision and accuracy of financial decisions. However, standardization does not mean that the quality and accuracy of data can be guaranteed. Enterprise data are often scattered in various systems, and data formats and standards are inconsistent among different systems, making it difficult to guarantee the
accuracy and completeness of data. Therefore, enterprises can establish a data quality management system to manage data cleaning, validation, monitoring, and correction to ensure the accuracy and completeness of financial data. Only when the quality and accuracy of data are guaranteed, then the implementation of digital accounting can better support the enterprise's decision-making. Finally, enterprises should actively carry out training and promotion of digital construction to improve the digital awareness and skills of employees. The development of digital accounting needs to rely on advanced information technology systems to support the collection, processing, and reporting of financial data. Through training and promotion, the digital awareness and skills of employees can be improved so that employees can better master the techniques and methods of digital accounting and improve the level of digital accounting in enterprises.

4.3. Cultivate and nurture enterprise data professionals to boost digital accounting development

Digital accounting has increasingly high requirements for talent and needs to have professional talents to support digital transformation. Firms need to provide digital training for finance staff to improve their digital awareness and skills so that they can adapt to the needs of digital transformation (Xiaoli Wang, 2023) [10]. In addition, companies need to recruit digital talents, such as computer talents and data analysis and processing professionals, to support the construction and development of digital accounting. Data expertise talents are one of indispensable talents in the construction of digital accounting. They have rich experience and skills in data analysis and can extract valuable information from financial data to provide accurate financial analysis and forecasts for enterprises. They also need to have deep knowledge and practical experience in digital technology, and can help enterprises choose the right digital tools and platforms, and plan and manage the digital construction. Secondly, it also needs a team and talent support with interdisciplinary knowledge and ability, such as knowledge teams in finance, law, data privacy protection, etc., to effectively deal with the issues and challenges arising from digital accounting. Therefore, companies have a professional digital team to support the digital transformation of corporate activities and accounting activities, which will help improve the accuracy and precision of financial information, as well as support better financial decisions.

4.4. Legality and compliance: guaranteeing the standardization, reliability, and security of digital accounting implementation in enterprises

The legality and compliance of digital accounting is one of the important aspects that enterprises must focus on in their digital transformation. Enterprises need to comply with relevant laws, regulations, and standards, such as transparency, confidentiality, security, and other requirements for financial reporting. Compliance with these regulations and standards not only protects the legitimate rights and interests of enterprises themselves but also enhances the trust of investors and other stakeholders. In the development of China's digital accounting transformation, enterprises need to comply with the Accounting Standards for Enterprises and other relevant regulations and standards issued by the Ministry of Finance and other governments to ensure the accuracy, completeness, timeliness, and comparability of financial reports. At the same time, enterprises also need to comply with relevant regulations and standards such as Enterprise Information Management promulgated by the Ministry of Industry and Information Technology and other governments to protect the data security and privacy of digital accounting systems and prevent risks such as data leakage and misuse. To ensure the legality and compliance of digital accounting, enterprises not only need to strengthen internal control to ensure the security and reliability of digital accounting systems. It also requires enterprises to conduct regular internal audits to assess the compliance and risks of digital accounting systems and to identify and solve problems promptly. When necessary, enterprises can also conduct external audits to verify the compliance and accuracy of the digital accounting system. Therefore, the legality and compliance of digital accounting is an area that cannot be ignored in the digital transformation of enterprises. Enterprises need to comply with relevant regulations and standards, strengthen internal controls and audits, ensure the compliance and reliability of digital accounting systems, and enhance the trust and competitiveness of enterprises.

5. Conclusion

With the continuous development and promotion of the digital economy, China's traditional accounting is also transforming to digital accounting, but the transformation needs a process and faces many difficulties and challenges, requiring continuous exploration, innovation, and reform. Given this,
based on the solid current development of China's enterprises, the construction of a digitally intelligent integrated financial information sharing system to achieve digital intelligence of enterprise activities; the establishment of a sound enterprise data standardization system to strengthen the digital awareness and skills of enterprise employees; training and cultivating enterprise data professionals to boost the development of digital accounting and guarantee the standardization, reliability, and security of the implementation of digital accounting in enterprises, to accelerate the improvement of The transformation of digital accounting in China's enterprises and the promotion of sustainable development of enterprises have certain socio-economic significance.

References


