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APPLYING DIGITAL TECHNOLOGY IN FINANCIAL ACCOUNTING: INTERNATIONAL EXPERIENCE AND LESSONS FOR VIETNAM

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ABSTRACT

In the era of rapidly advancing digital technology, the application of digital technology in financial accounting has become an inevitable trend globally. Digital technology not only improves work efficiency but also creates new opportunities for businesses and financial organizations. This article synthesizes some international experiences and lessons that Vietnam can refer to in order to effectively apply digital technology in the field of financial accounting.

Keywords:

Digital technology, financial accounting, international experience, Vietnam.

1. INTRODUCTION

In the context of globalization and the Fourth Industrial Revolution, applying digital technology to the field of financial accounting is not only an inevitable trend but also a determining factor for the success or failure of enterprises in the new era. Digital technology has fundamentally changed the way financial accounting operates, from automating accounting tasks, enhancing information security, to providing deeper financial analysis for businesses. International experience shows that leading countries in applying digital technology to financial accounting such as the United States, the United Kingdom, and Singapore have achieved certain successes. They have established a transparent and efficient financial accounting system, minimizing risks and errors while providing accurate and timely information to managers and investors.

For Vietnam, applying digital technology in financial accounting not only helps enhance the competitiveness of enterprises but also provides strong support for the process of international economic integration. However, to achieve this, Vietnam needs to face and address many challenges, from raising awareness and skills in applying digital technology for the accounting team to updating and improving the relevant legal system. Overall, the application of digital technology in financial accounting is an indispensable step for the development of Vietnam's financial accounting industry in the new era. It is an opportunity for Vietnam to access, learn, and apply international experiences while creating its own tailored lessons suitable for its specific conditions and circumstances. This transformation not only benefits enterprises but also contributes to the sustainable development of the national economy.

2. THE CURRENT SITUATION OF APPLYING DIGITAL TECHNOLOGY IN THE FIELD OF FINANCIAL ACCOUNTING IN VIETNAM

In the context of globalization and the Fourth Industrial Revolution, the application of digital technology in the field of financial accounting in Vietnam is becoming an inevitable trend. Digital technology has opened up new opportunities, helping enterprises optimize workflows, improve management efficiency, and provide financial accounting services more transparently and accurately. Digital transformation in the accounting-auditing field can be understood as the application of digital technologies to accounting tasks, enabling faster and more efficient deployment while still optimizing labor, time, and costs for enterprises.

However, the digital transformation in the field of financial accounting in Vietnam still faces many challenges. Digital transformation in accounting and auditing is one of the important goals in the Accounting - Auditing Strategy until 2030 issued with Decision No. 633/QĐ-TTg dated May 23, 2022, by the Prime Minister. This requires a change in management mindset and the establishment of a coherent policy system to promote comprehensive and efficient accounting-auditing activities.

Overall, the application of digital technology in the field of financial accounting in Vietnam is gradually improving and developing. With support from policies and proactive efforts from enterprises, it is hoped that in the near future, Vietnam will make steady progress in applying digital technology, contributing to enhancing

its position on the global financial accounting map. This is not only a trend but also an essential requirement to strengthen competitiveness and international integration.

However, despite the recognition of the necessity of digital transformation, many Vietnamese enterprises have not yet achieved their expected goals. Most enterprises are mainly at the stage of digitizing data and processes, but applying technology to business operations still faces difficulties. To promote the digital transformation process, enterprises need to clearly define their digital transformation goals and strategies. Moreover, training and developing a skilled workforce with knowledge of digital technology are crucial. Support programs from the government and international financial organizations will also play an important role in enhancing the digital transformation capacity for the financial accounting field in Vietnam.

3. INTERNATIONAL EXPERIENCE IN APPLYING DIGITAL TECHNOLOGY IN THE FIELD OF FINANCIAL ACCOUNTING

3.1. Experience of the United States

The United States is one of the pioneering countries in applying digital technology in the field of financial accounting. Below are some important experiences that the United States has accumulated in this process:

The US has carried out a comprehensive digital transformation process and integrated systems in the field of financial accounting. Instead of using traditional accounting systems, businesses and organizations in the US have transitioned to using advanced digital systems, while integrating various systems such as accounting, finance, Enterprise Resource Planning (ERP), and data analysis software into a single system. This not only helps enhance flexibility and convenience in data management and financial information but also improves the accuracy of accounting processes.

Process optimization and automation are also strengths of the US in this field. By integrating technologies such as Robotic Process Automation (RPA), Artificial Intelligence (AI), and Machine Learning, businesses can automate repetitive tasks such as data entry, data validation, and report generation. This not only helps minimize errors but also enhances work efficiency and reduces operating costs, thereby optimizing business operations.

Meanwhile, enhancing security and compliance is also a significant focus in the US. Accounting and financial companies often use advanced security technologies such as data encryption, two-factor authentication, and continuous monitoring to ensure the security of customers' and businesses' critical information. This helps protect data from cyber threats and ensures compliance with legal regulations on data security.

The US has also heavily invested in developing data analysis and business intelligence systems. By using Big Data and Data Analytics technology, businesses can analyze financial information, forecast trends, and make strategic decisions. Moreover, integrating new technologies such as AI and Machine Learning helps improve predictive and analytical capabilities, thereby optimizing business operations' effectiveness and making accurate strategic decisions.

Finally, the US has a strong accounting and financial community, always sharing information and experiences through conferences, online forums, and industry organizations. This not only helps strengthen knowledge and innovation in this field but also opens up opportunities for cooperation and new business development. These experiences of the US can provide valuable lessons for Vietnam and other countries in enhancing the efficiency of the financial accounting field through digital technology.

3.2. Experience of the United Kingdom

The UK is also one of the leading countries in applying digital technology in the field of financial accounting. Digital transformation and system integration are an integral part of the technology strategy of businesses in the UK. Instead of using traditional accounting systems, businesses have invested in comprehensive digital solutions, combining accounting, finance, and enterprise resource management systems into a single system. This not only helps optimize data and financial information management but also enhances flexibility and convenience in managing overall business operations.

Regarding process optimization and automation, the UK focuses on applying technologies such as Robotic Process Automation (RPA). This technology allows automating repetitive tasks in accounting and finance processes, including data entry, data validation, and report generation. Minimizing errors and enhancing efficiency help businesses save time and operating costs while improving the quality and accuracy of information.

Information security and compliance with data security regulations are top priorities for accounting and financial businesses in the UK. Companies often use advanced security technologies such as data encryption and two-factor authentication to ensure the security of customers' and businesses' critical information.

To develop data analysis and business intelligence systems, the UK has heavily invested in Big Data and Data Analytics technology. These technologies help analyze financial information, forecast trends, and make data-driven strategic decisions. Moreover, integrating new technologies such as AI and Machine Learning improves predictive and analytical capabilities more effectively.

Sharing information and industry collaboration are essential parts of the accounting and financial community in the UK. Through conferences, online forums, and industry organizations, experts have the opportunity to share knowledge, experiences, and discuss the best practices in accounting and finance. This not only strengthens knowledge and innovation in this field but also opens up opportunities for collaboration and new business development.

3.3. Experience of Singapore

Singapore is evaluated as a leading country in applying digital technology in various fields, including financial accounting. Thanks to the effective application of technology solutions, Singapore has achieved many outstanding achievements, benefiting both businesses and the economy. Below are some typical experiences of Singapore that Vietnam can learn from:

The Singaporean government has implemented a comprehensive and systematic national strategy for digital transformation, including the field of financial accounting. This strategy is not only a document setting goals and development roadmap but also a basis for building supportive policies and encouraging the application of digital technology in various sectors of the economy. By establishing specific plans and effectiveness measurement targets, Singapore has created a clear and transparent direction for digital economic development. An important factor in Singapore's digital transformation is investing in modern technology infrastructure. The government has undertaken projects such as building high-speed internet networks and developing stable and secure cloud computing systems. With a strong technology infrastructure, businesses in Singapore can easily access and utilize advanced digital technologies to improve their productivity and efficiency.

At the same time, raising community awareness is an essential part of Singapore's digital transformation strategy. The government has implemented propaganda and education programs to enhance awareness of the benefits and potential of digital technology among citizens and businesses. In this way, they have created an awareness environment about the importance of applying digital technology in all areas of life and the economy.

To meet the demand for high-quality human resources in the financial accounting field, Singapore has placed special emphasis on developing skilled digital technology workforce. Universities and colleges have established in-depth and comprehensive training programs on applying digital technology in the field of financial accounting. Thanks to this, Singapore has a highly experienced and professional workforce capable of effectively applying new technology to daily work.

Moreover, the Singaporean government has created favorable conditions for innovation and creativity in the financial technology sector. They have provided financial support and infrastructure for startup businesses in the digital technology field, helping them develop and deploy new solutions quickly and effectively.

Finally, having a comprehensive and coherent legal system is also an indispensable factor in Singapore's digital transformation process. The government regularly updates and improves laws to ensure that regulations on digital technology usage are applied fairly and transparently, while ensuring cybersecurity and protecting the personal information of citizens and businesses. With a stable and clear legal environment, Singapore has attracted many leading technology businesses and is an ideal destination for new projects in the financial technology sector.

4. LESSON LEARNED FOR VIETNAM IN THE APPLICATION OF DIGITAL TECHNOLOGY IN THE FIELD OF FINANCIAL ACCOUNTING

Vietnam can learn and draw valuable lessons from the experiences of advanced countries such as Singapore, the United States, and the United Kingdom in applying digital technology in the field of financial accounting. Below are some important lessons that Vietnam can apply to enhance the efficiency and modernization of the financial accounting industry:

Firstly, Establishing a comprehensive national strategy

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The governments of Singapore, the United States, and the United Kingdom have succeeded in building and implementing national strategies for digital transformation, especially in the field of financial accounting. This includes setting specific goals, clear development roadmaps, and supportive policies to encourage businesses to adopt digital technology. Vietnam can learn from this by creating a detailed and comprehensive plan while providing favorable conditions for the development of enterprises.

Secondly, Investing in Technological Infrastructure

Singapore, the United States, and the United Kingdom have heavily invested in technological infrastructure, including high-speed internet networks, stable and secure cloud computing systems. This helps create a conducive working environment for businesses and individuals to use digital technology in financial accounting. Vietnam also needs to focus on developing technological infrastructure to facilitate the growth of the financial accounting industry.

Thirdly, Enhancing Community Awareness

The governments of these countries have implemented awareness-raising and educational programs to enhance the understanding of the benefits of digital technology in financial accounting among citizens and businesses. They also focus on training skilled workforce in this field. Vietnam can learn from this by strengthening training and education programs, as well as enhancing promotional and educational activities.

Fourthly, Training High-Quality Workforce

Vietnam needs to focus on training a skilled workforce in digital technology for financial accounting. Training programs should be designed to provide the knowledge and skills necessary for workers to effectively apply new technology to their work.

Fifthly, Encouraging Innovative Entrepreneurship

The Vietnamese government needs to create a favorable environment for startup businesses in financial technology. Financial support and infrastructure will help new businesses develop and implement innovative digital technology solutions.

Sixthly, Perfecting Legal Systems

Vietnam needs a comprehensive and coherent legal framework for the use of digital technology in financial accounting. This ensures that regulations on data protection and cybersecurity are applied fairly and transparently.

CONCLUSION

In the context of globalization and rapid technological development, the application of digital technology in financial accounting is becoming an undeniable trend. From the experiences of advanced countries like Singapore, the United States, and the United Kingdom, Vietnam can draw many valuable lessons and directions. Firstly, building a comprehensive and detailed national strategy is crucial. This strategy needs to specify goals, development pathways, and support measures to encourage businesses to adopt digital technology in financial accounting. Secondly, investing in modern technological infrastructure also plays an important role in creating a conducive working environment for the development of the financial accounting industry. Vietnam needs to focus on developing technological infrastructure to meet the increasing demand for digital technology. Thirdly, raising community awareness and training high-quality workforce are also indispensable factors. Vietnam needs to enhance training and education programs, as well as create policies to encourage and support businesses in adopting digital technology. Lastly, creating a flexible and innovative business environment is also crucial. Vietnam needs to create favorable conditions for startups and innovation in the financial technology sector. In summary, the application of digital technology in financial accounting not only brings many benefits in terms of efficiency and accuracy but also contributes to the sustainable development of the economy. Vietnam needs to learn and apply lessons from advanced countries to enhance the efficiency and modernization of the financial accounting industry in the context of the ongoing technological revolution.

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