

## **Improvement of Management Accounting in Uzbekistan: Problems, Integration and Development Prospects**

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**Abstract:** The article discusses modern approaches to management accounting in Uzbekistan, including the stages of its development, integration with financial accounting and the impact of digitalization on the accounting system. The author analyzes the main problems of implementing management accounting, such as a shortage of qualified specialists, a lack of a methodological base and the need to adapt to international financial reporting standards (IFRS). The article offers recommendations for improving management accounting, including the creation of a national certification system, the introduction of automated technologies and the development of a flexible accounting policy focused on the internal needs of companies. It is concluded that the development of management accounting is strategically important for increasing the competitiveness of Uzbek enterprises and strengthening their position in the international market.

**Keywords:** management accounting, financial accounting, IFRS, digitalization, certification of specialists, accounting policy, Uzbekistan.

### **Introduction**

In the context of globalization and modernization of the economy of Uzbekistan, improving the management accounting system is becoming one of the key tasks for enterprises. Modern approaches to accounting require not only compliance with financial reporting standards, but also the creation of an effective cost management system and strategic decision-making. Management accounting, as a tool for analysis and management, provides an opportunity to generate information for making informed decisions at all levels of enterprise management.

The need to implement management accounting is especially relevant in the context of the transition to international financial reporting standards (IFRS), which contributes to increased transparency and competitiveness of Uzbek companies in international markets. At the same time, the implementation of management accounting faces a number of problems, including a lack of a methodological base, a shortage of qualified specialists and insufficient attention to the integration of financial and management accounting.

The purpose of this article is to consider modern approaches to management accounting in Uzbekistan, identify the main problems of its implementation and suggest possible ways of improvement, based on international experience and the specifics of the Uzbek economic environment.

Accounting in Uzbekistan has gone through several stages of development, starting with the creation of a legal framework and ending with integration with international standards. The first stage began in 1991 with the adoption of regulatory documents governing accounting in the country. During this period, the main efforts were aimed at creating a foundation that would allow enterprises to operate in a market economy. From 1995 to 2014, more detailed standards were developed and implemented,

which gradually converged with international accounting practices. The third and fourth stages (2015-2023) are characterized by the transition to international financial reporting standards (IFRS) and improved quality of financial reporting. The fifth stage, which began in 2024, is marked by a complete transition to IFRS for large enterprises, which requires a higher level of training of specialists and adaptation to international standards.

The development of accounting in Uzbekistan is also significantly affected by the processes of digitalization and modernization of the economy. The introduction of digital technologies, including the automation of accounting and the creation of electronic reporting systems, opens up new opportunities to improve the efficiency and transparency of financial transactions. Modern technologies can reduce labor costs, increase data accuracy and reduce the risk of human errors. In the context of digitalization, enterprises in Uzbekistan are beginning to use integrated accounting systems, which facilitates the transition to IFRS standards and allows obtaining up-to-date data for management. However, the transition to digital accounting requires significant investment, as well as the training of qualified personnel, which remains a challenge for many companies.

National accounting standards in Uzbekistan are gradually approaching the requirements of IFRS, which contributes to increasing confidence in reporting on the part of foreign investors and international partners. At the same time, national characteristics of the economy, including tax and legal aspects, impose certain restrictions on full compliance with IFRS. In recent years, the government has taken measures to develop and improve national standards to make them more flexible and adaptive. Thus, although Uzbekistan is still in the process of full transition to international standards, this direction of accounting development is already having a positive impact on the investment climate and competitiveness of enterprises in the international arena.

Management accounting is a system of accounting and analysis of information designed to support decision-making at all levels of enterprise management. Unlike financial accounting, which is focused on providing data to external users, management accounting is aimed at the internal needs of the company. It helps to evaluate the efficiency of activities, control costs, and plan and forecast financial results. Within the framework of management accounting, information can be adapted to the specific tasks of the company, which makes it a flexible tool for solving operational and strategic tasks.

The main objective of management accounting is to provide the company's management with accurate and timely information necessary for making informed decisions. For example, management accounting allows you to evaluate the efficiency of resource use, plan a budget, analyze the cost of production, and identify growth points or potential risks. The use of management accounting allows managers to more accurately evaluate the impact of management decisions on the financial condition of the enterprise and promptly adjust the strategy to achieve the set goals.

The importance of management accounting in the modern economy is difficult to overestimate. For enterprises in Uzbekistan, especially during the period of active transition to international standards and digitalization, management accounting is becoming a necessary tool for increasing competitiveness. Thanks to management accounting, companies can respond more quickly to changes in the market situation, flexibly adapt to new conditions and minimize the risks associated with uncertainty. Moreover, management accounting is an integral part of the corporate governance system, as it promotes transparency of processes and increases trust on the part of shareholders and investors.

Integration of management and financial accounting becomes necessary to ensure data integrity, increase transparency and improve the company's analytical capabilities. Financial accounting is focused on standards regulating external reporting, while management accounting provides information for internal users and may have more flexible data processing methods. Combining these two accounting systems allows the enterprise to create a single data flow, eliminating duplication of information and improving coordination between different departments. In the context of increasing competition in the market, this is especially important, as it provides the opportunity for deeper analysis and prompt response to changes.

The main advantage of integrating management and financial accounting is the ability to use a single data array for different purposes, which reduces accounting costs and eliminates discrepancies between management and financial reporting. This also improves the quality of analysis and increases the efficiency of decision-making. With this approach, management reporting can be based on data already prepared within the framework of financial reporting, which significantly simplifies the processes of planning, control and forecasting. Accounting integration is especially useful for companies operating under international standards (IFRS), as it ensures compliance of external and internal reporting, increasing investor confidence.

The integration of management and financial accounting not only promotes internal efficiency, but also supports the company's strategic goals, improving interaction between departments. Companies can use data prepared for external reporting for management purposes, adapting it to specific tasks. As a result, this approach allows for a deeper understanding of the financial condition of the enterprise, as well as seeing the real results of strategic decisions made by management. For Uzbekistan, the integration of the two types of accounting is an important step in increasing the competitiveness of companies and improving the investment climate in the country, as it contributes to the creation of a more transparent and effective management system.

To improve the efficiency of management accounting in Uzbekistan, a comprehensive approach is required, including improving personnel training, developing flexible accounting policies and introducing modern technologies. One of the key steps in this direction could be the creation of a national certification system for management accounting specialists, which will help improve their professional competence. Such certification will help standardize the level of knowledge and skills required to work with management accounting, which is especially important in the context of the transition to international standards. In addition, it is important to expand the interaction of educational institutions with businesses so that educational programs are focused on the needs of modern companies.

It is also necessary to develop an accounting policy that takes into account the specifics of management accounting for enterprises in various industries. Since management accounting requires adaptation to the internal tasks of the company, such a policy should be flexible enough to support both long-term strategic goals and operational needs. Recommendations for the formation of an accounting policy include establishing clear criteria for assessing costs, forecasting and planning methods, as well as taking into account seasonal and industry specifics. To do this, companies can use both international experience and best practices adapted to local conditions.

The introduction of digital technologies and automation of management accounting also play an important role in increasing its efficiency. Automation systems allow for the rapid collection, processing and analysis of data, which speeds up decision-making and improves the accuracy of reporting. For example, the introduction of software integrated with ERP systems simplifies accounting and reduces costs associated with data processing. To do this, companies can invest in training employees to work with new technologies and conduct internal training to improve their digital literacy. As a result of these changes, management accounting in Uzbekistan can become more efficient, flexible and able to support companies in a rapidly changing economic environment.

## **Conclusion**

The modern economy of Uzbekistan requires enterprises to be highly flexible and transparent in accounting, which makes management accounting an indispensable tool for effective management. The introduction of international standards and digitalization create favorable conditions for the development of management accounting, which allows you to adapt accounting data to the internal needs of the company and use them to make informed decisions. Based on international experience and national characteristics of Uzbekistan, the integration of management and financial accounting makes it possible to create a single information flow, which minimizes duplication and increases the accuracy of analysis.

For further development of management accounting in Uzbekistan, it is necessary to pay attention to training qualified personnel, implementing technologies and creating a flexible accounting policy. The national system of certification of specialists and educational programs focused on business needs will help to fill the shortage of qualified personnel, and automation of processes will improve the quality and speed of data processing. These changes contribute to increasing the competitiveness of Uzbek companies and strengthening their positions in international markets, which will generally have a positive effect on the investment climate and economic development of the country.

Thus, improving the management accounting system in Uzbekistan is a strategically important process that requires a systematic approach and continuous improvement. Management accounting, integrated with financial reporting and supported by digital technologies, will become a reliable basis for sustainable growth of enterprises and economic stability in the face of global challenges.

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