KAPITEL 9 / *CHAPTER 9* [9]
ACCOUNTING AND AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS IN THE CONDITIONS OF DIGITAL TRANSFORMATION: KEY PRINCIPLES AND ADVANTAGES

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Introduction

In today's globalized world, the dynamics of economic processes force business structures to constantly adapt to new challenges. One of the key trends is the consolidation of capital and the creation of large corporate groups, which allows achieving synergy, optimizing costs and effectively competing in international markets. The success of such groups largely depends on the transparency and reliability of financial information provided to stakeholders. Consolidated financial statements act as a critically important tool that provides a holistic view of the financial condition, performance and cash flow of a group of enterprises as a single economic entity.

Traditional approaches to preparing and auditing consolidated financial statements, which rely on manual data processing, consolidation and adjustment, are laborious, time-consuming and error-prone. This is especially true in the context of increasing data volumes, the complexity of intra-group transactions and the geographical distribution of business units.

However, the current stage of economic development is characterized by a deep digital transformation. Information technologies, covering all areas of life, are radically changing the ways of doing business, including accounting and auditing. The use of innovative tools, such as cloud technologies, Big Data, artificial intelligence (AI), blockchain and robotic process automation (RPA), opens up new opportunities to increase the efficiency, accuracy and efficiency of accounting and auditing processes (Bilous & Kundeus, 2023). These technologies do not simply automate existing procedures, but create new models of interaction and analysis that meet the needs of stakeholders for high-quality and timely information (Shkromyda, Maksymiv, &

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Hnatiuk, 2025).

Within this framework, examining the influence of digital transformation on the accounting and auditing of consolidated financial statements assumes significant importance. This monograph aims to elucidate the economic nature and fundamental principles underpinning consolidated financial reporting, critically evaluate the existing regulatory landscape, and explore the potential of digital technologies to enhance the efficiency and effectiveness of accounting and auditing processes.

To achieve the goal, the following tasks were defined:

1. Analyze the economic essence of consolidated reporting, its basic principles and methods.

2. To examine the modern regulatory framework for consolidated financial reporting in Ukraine, taking into account aspects of digitalization.

3. Identify key digital technologies that can be applied in accounting and auditing of consolidated financial statements, and assess their benefits.

4. To substantiate the prospects and directions of further digitalization of the processes of preparation and audit of consolidated financial statements.

The research's theoretical foundation is built upon the academic works of leading domestic and international scholars who have explored the topics of accounting, auditing, corporate reporting, and the digital economy (Kononenko, Nazarova, & Savchenko, 2025; Semenova, 2024; Umanska & Lavrova-Manzenko, 2021). The regulatory framework is based on both international and national financial reporting standards, along with Ukrainian laws governing accounting, auditing, and digitalization (Dyrektyva 2006/43/YeS; Mizhnarodnyi standart bukhhalterskoho obliku 27; Pro bukhhalterskyi oblik ta finansovu zvitnist v Ukraini).

9.1 The economic essence of consolidated financial reporting, its principles and methods

The current market situation, with its constant changes and increased demands for business transparency, forces companies to look for new ways of communicating with stakeholders. One such way is integrated corporate reporting, which goes beyond traditional financial statements.

According to Serpeninova, Y.S. (2022), the practice of forming integrated reporting is actively implemented throughout the world, as it combines financial and non-financial aspects of activity. The publication of information about the company's efforts to solve environmental and social problems not only improves its business reputation and creates a positive image, but also serves as additional evidence of its reliability and sustainable development. This allows you to significantly expand the capabilities of accounting reporting, increase its quality and ability to reflect key factors that affect the future development of the business.

According to Holinach, L. (2019), integrated or corporate reporting is a comprehensive document that combines financial and non-financial data. It provides information about the economic, social and investment activities of the company, its strategy, cash flows, cost of capital and sustainability of the business model.

Zasadnyi, B., & Podzihun, D. (2025) argue that consolidated financial statements are more than just a collection of individual reports from a parent company and its subsidiaries. They represent a single, unified document that provides a complete picture of the group's financial position, performance, and cash flows as one economic unit. The primary purpose of this is to offer a reliable and full view of the group's finances to stakeholders, such as investors and creditors. By eliminating distortions caused by transactions between the controlled entities, the consolidated report presents a truer reflection of the company's financial reality.

For example, if a parent company sells products to a subsidiary, in their separate statements these transactions will be reflected as income in the parent company and expenses in the subsidiary. However, from the perspective of the entire group, this transaction did not result in the inflow of money from outside and did not change the overall financial result. Consolidated financial statements allow you to eliminate such intragroup transactions, providing users with information that reflects economic reality (Umanska & Lavrova-Manzenko, 2021).

According to the study by Eccles, RG, & Serafeim, G. (2014), corporate reporting performs two main functions: informational and transformational. The informational function is to provide users (investors, customers, regulators) with the data necessary to make informed decisions. Providing better and more useful information helps attract capital on more favorable terms and increases market liquidity. The transformational function is due to the fact that reporting serves not only as a source of information, but also as a tool for interacting with stakeholders, who, by analyzing the data, can initiate changes in corporate behavior. In other words, external reporting can influence internal management decisions, contributing to integrated thinking and sustainable development.

The preparation of consolidated financial statements is based on several key principles defined by international and national standards (Table 1).

Table 1 - Basic principles of financial statement consolidation

Principle	Content of the principle
Completeness and objectivity	The reporting must fully reflect all assets, liabilities, income and expenses of the group, regardless of ownership interest. All data must be reliable, understandable and meaningful
Equity integrity	In consolidation, the parent company and its subsidiaries are considered as a single entity. Accordingly, their equity and financial results must be combined, as must the group's reserves
Consistency of application of methods	The selected consolidation methods should be used consistently over a long period to ensure comparability and avoid data distortion
Data materiality	Consolidated reports should include only the information that is essential for guiding management and investment decisions. The key is to gather and present only the data that provides genuine value to users
Unification of methods in audit and evaluation	A parent company is obligated to apply the same audit and valuation methods it uses for its own financial statements to all subsidiaries that are part of the consolidated group. This ensures consistency and uniformity in reporting across the entire organization
Matching reporting periods in and politics	For accurate consolidated reporting, every entity in the group is required to use the same accounting policies and report on the same date. This alignment is essential for creating a cohesive financial picture of the entire enterprise

Source: summarized by the authors based on [15]; [26]

In the context of digital transformation, these principles remain unchanged, but the methods of their implementation undergo significant changes. Instead of manual processing and verification, modern information systems allow you to automate the processes of data collection, unification and elimination, which significantly increases the accuracy and efficiency of reporting.

Financial reporting consolidation methods are an integral part of the process of creating a single, objective picture of the financial condition of a group of companies. The choice of a specific method depends on the degree of control that the parent company exercises over other enterprises. As indicated in the information provided, reporting consolidation is the process of combining financial data from several divisions into a single report, which allows investors and other interested parties to assess the financial condition, performance and capital investments of the entire group.

There are several main methods, each of which is used under certain conditions:

- full consolidation method: used when the parent company has full control over the subsidiary. This approach involves combining all financial indicators;
- proportionate consolidation method: used when there is common control, usually in joint ventures. Each party includes in its accounts only its proportionate share of the assets, liabilities, income and expenses;
- equity method: used for associates where the investor has significant influence but not control. This method reflects the investor's share of the associate's profit or loss in its own consolidated financial statements;
- cost accounting method and fair value accounting method: used for investments where the investor's influence is minimal. They involve recording assets at their original cost or market price, respectively.

Table 2 systematizes the main consolidation methods, their application, and the standards by which they are regulated.

Table 2 - Main methods of consolidation of financial statements

Degree of control	**Significant impact**	**General control**	**Control**	**Minimal impact**
Status of the control object	Associated company	Joint venture	Subsidiary	Investments
Consolidation method	Equity method	Proportional consolidation method	Full consolidation method	Cost method and Fair value method
The standard	IAS 28	IFRS 3 1	IFRS 27, IFRS 3	IFRS 27, IFRS 2 9

Source: summarized by the authors based on [32]

Although the terminology may seem similar, it is crucial to distinguish between summary and consolidated financial statements due to their fundamental differences in purpose and preparation. These distinctions are especially important given the context of digital transformation, which enables the automation of complex consolidation and elimination procedures, unlike the simple data aggregation used for summary reports (Table 3).

Table 3 - Classification differences in the purpose and procedure for preparing summary and consolidated financial statements

No. of the	Classification features	Consolidated reporting	Consolidated financial statements
1.	Purpose of compilation	Display of aggregate indicators.	Reflecting the financial position of the group as a whole.
2.	Legal basis	Not mandatory, not regulated by standards.	Mandatory for certain groups of enterprises. Regulated by IFRS 10 and N P(S)BO 2.
3.	Display object	Data from several enterprises without their merger.	Data of parent and subsidiary companies as a single economic unit.
4.	Method	Simple arithmetic summation.	Elimination of intragroup transactions and balances in.
5.	Information value	Limited, does not reflect the real state of the group.	High, provides a reliable and complete picture for external users in.
6.	Main principle	The principle of simple data aggregation.	The principle of control.

Author 's work

Consolidated financial statements are a key tool for reflecting the financial position of a group of companies as a single economic entity. They combine financial and non-financial indicators, ensure the completeness and reliability of information, eliminate intra-group distortions and increase transparency for investors, creditors and other interested parties. The use of various consolidation methods, such as the full consolidation method, proportional consolidation and the equity method, allows us to take into account the level of control and influence of the parent company on its subsidiaries. Compliance with the principles of completeness, reliability, consistency and materiality of data guarantees the objectivity of the results and allows users to make informed management and investment decisions.

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9.2 Regulatory and legal regulation of consolidated financial reporting in the context of digitalization

The regulatory and legal regulation of consolidated financial reporting in Ukraine is based on a combination of national and international acts that determine its mandatory nature, principles and procedure for preparation. The Law of Ukraine "On Accounting and Financial Reporting in Ukraine" (2024) obliges enterprises that have subsidiaries to prepare and submit consolidated financial statements together with their individual financial statements. This regulatory requirement applies to a group of enterprises consisting of a parent (holding) company and subsidiaries, and confirms that the consolidated statements reflect their financial position and performance as a single economic unit. (Fimiar & Kozynets, 2025).

Comparable consolidation rules are also reflected in international accounting regulations, particularly in IFRS 10, Consolidated Financial Statements (2013), which establishes standardized guidelines for the preparation of consolidated reports worldwide. In parallel, IAS 27, Separate Financial Statements (2012), delineates the procedures for compiling financial statements for individual entities within a corporate group.

Despite substantial progress toward harmonizing financial reporting standards, notable divergences persist between Ukrainian accounting legislation and the international framework governing consolidated financial statements. A key area of difference concerns the conditions under which a parent entity may be relieved from the obligation to prepare consolidated reports.

Under NP(S)BO 2, the preparation of consolidated financial statements is not mandatory provided that all the following criteria are met, except for entities deemed to be of public interest:

- the enterprise operates as a subsidiary wholly or partially controlled by another entity;
- holders of non-controlling interests have been notified and have raised no objections;

- the entity does not engage in public issuance of securities;
- the parent company produces consolidated financial statements that are accessible to the public;
- no other circumstances exist that would necessitate consolidation.

Similarly, IFRS 10 stipulates that consolidated statements are not required if the following conditions are simultaneously satisfied:

- the entity is a subsidiary with full or partial ownership by another company, and other shareholders have been informed and consent to the non-preparation of consolidated statements;
- the entity has no plans to file financial statements with regulatory authorities for public issuance of financial instruments;
- the ultimate or intermediate parent produces IFRS-compliant consolidated statements publicly available for general use;
- the entity's debt or equity instruments are not listed or traded on a public market;
- there are no long-term employee benefit obligations within the scope of IAS 19, *Employee Benefits*.

Consolidation is therefore not conducted when these criteria are not met.

A comparison of Ukrainian and international regulations reveals several critical inconsistencies:

1. Public interest restriction – NP(S)BO 2 explicitly mandates consolidation for entities of public significance, whereas IFRS 10 does not impose a direct limitation, instead relying on market-driven disclosure requirements;

2. Employee benefit exemption – Ukrainian standards permit non-consolidation if the entity lacks post-employment benefit plans, a condition not recognized by IFRS 10;

3. Additional IFRS requirements – IFRS 10 introduces criteria absent in NP(S)BO 2, particularly regarding the non-trading of financial instruments in public markets.

A further distinction exists in accounting for non-controlling interests. IFRS 10 requires that such interests be presented separately in the equity section of the consolidated statement of financial position, distinct from the parent owners' equity.

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This treatment is not explicitly prescribed in Ukrainian standards, which complicates IFRS-based consolidation and necessitates careful analytical adjustments.

Examining both regulatory provisions and scholarly research indicates that consolidated financial statements constitute a primary form of external financial reporting. They are derived from individual financial statements of the parent and subsidiaries and play a central role in accounting methodology. Consolidation involves systematically aggregating these statements to produce a comprehensive report that accurately reflects the financial position of the entire group as a single economic entity, established through investment and control mechanisms (Burdonos & Vynohradnia, 2022).

The system of consolidated reporting is a fairly recent development in global practice. Its evolution is closely linked to European accounting legislation, specifically the Fourth and Seventh Directives of the Council of Ministers of the European Union, which established the rules for preparing annual and consolidated reports, respectively (Dyrektyva 2006/43/YeS, 2006). These directives were instrumental in creating a foundation for the international recognition of consolidated reporting, defining its purpose as reflecting the financial position and performance of a group of companies operating together. Directive 2013/34/EU later expanded these requirements, mandating that companies with subsidiaries must consolidate not just financial data but also management reports (Hnasko & Semenova, 2023).

National Accounting Standard 1, titled "General Requirements for Financial Reporting" (2025), provides a definition of consolidated financial statements as the financial reports of a controlling entity and its controlled entities, presented as a single economic unit (Pro zatverdzhennia Natsionalnoho polozhennia (standartu) bukhhalterskoho obliku 1, 2025). This comprehensive report includes a consolidated balance sheet, a statement of financial performance, a statement of cash flows, and a statement of equity.

Consolidated financial reporting is governed by international standards, including IFRS 3 "Business Combinations", IAS 24 "Related Party Disclosures", IAS 27 "Separate Financial Statements", IAS 28 "Investments in Associates and Joint

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Ventures", and IFRS 11 "Joint Operations" (Holov, 2011). These standards are the foundation for building a national consolidated accounting system that focuses on the needs of external users, particularly investors and creditors.

Dobrovolskyi V. V. (2024) emphasizes that the development of a regulatory framework for Ukraine's digital economy is crucial for its integration into the global digital landscape. He points out that the legislative foundation is being built within the country's pro-European course and is guided by EU standards, especially in areas like electronic trust services, personal data protection, cybersecurity, and digital services.

Under the Strategy for the Implementation of Digital Development, Digital Transformations and Digitalization of the Public Finance Management System for the Period Until 2025, and its corresponding Action Plan approved by the Cabinet of Ministers of Ukraine, a wide range of initiatives have been launched to foster digitalization. This concerted effort is a central component of the state's broader goal to modernize public services, aiming to enhance efficiency, increase transparency, and align administrative systems with international standards (Pro continuation stroke..., 2025).

Ukraine's regulatory and legal landscape in the field of digitalization is in a phase of active development, which is a critical factor for its integration into the global digital space. This process is a strategic priority for the state, as evidenced by a series of key legislative acts aimed at stimulating technological progress and creating a favorable environment for innovative business. These documents lay a solid foundation for digital transformations across various sectors of the economy, including financial accounting, and are a necessary prerequisite for successful European integration. The main regulatory and legal acts that govern these changes, creating the legislative basis for such transformations, are summarized in Table 4.

The prospects for developing regulatory and legal frameworks for consolidated financial statements in Ukraine involve continued harmonization of national standards with international ones. This is crucial for unifying consolidation approaches, simplifying accounting adjustments, and improving financial data quality. Another key area of focus is the integration of digital technologies into the consolidated reporting

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Table 4 - Main regulatory legal acts in the field of digitalization in Ukraine

Act	Appointment
On Electronic Commerce, Law of Ukraine No. 675-VIII	Defines the rules for conducting e-commerce, electronic contracts, and the rights and obligations of participants in.
On electronic trust services, Law of Ukraine No. 2155-VIII	Establishes the legal framework for the use of electronic signatures and trust services.
On the Basic Principles of Ensuring Cybersecurity in Ukraine, Law of Ukraine No. 2163-VIII	Defines the legal and organizational principles for protecting the interests of the state, society, and citizens in cyberspace.
On the Protection of Personal Data, Law of Ukraine No. 2297-VI	Regulates the processing and protection of personal data in the electronic environment.
On cloud services, Law of Ukraine No. 2075-IX	Regulates the provision and use of cloud technologies, in particular by government agencies.
On Stimulating the Development of the Digital Economy in Ukraine, Law of Ukraine No. 1667-IX	Introduces the " City Action " legal regime to promote the development of innovative businesses.
On electronic trust services, Law of Ukraine No. 2155-VIII	Provides a legal framework for regulating cryptocurrencies and blockchain technologies.

Source: summarized by the authors based on [17-20]; [22-24]

process. This includes using electronic platforms, cloud services, and automated accounting systems. These innovations will ensure greater efficiency, transparency, and data accessibility for users. They will also improve the management effectiveness of enterprise groups and support their integration into the global financial market.

9.3 Advantages and prospects of implementing digital technologies in accounting and auditing of consolidated statements

The introduction of digital technologies in accounting and auditing of consolidated financial statements transforms traditional processes, providing a number of key benefits. Digital tools do not simply automate routine operations, but create new opportunities for increasing efficiency, accuracy and transparency. During 2023–2024, Ukraine will see a significant increase in interest in the digitalization of auditing, which is manifested in the implementation of technologies such as artificial intelligence (AI), ERP systems, BI analytics, and blockchain. This process is supported by both large audit firms and the scientific community.

In particular, KPMG (2022) in Ukraine integrates AI into its global KPMG Clara platform. This allows auditors to create risk profiles in real time based on the analysis of large data sets. Cooperation with the Microsoft Azure cloud platform and business intelligence tools helps to increase the accuracy of the audit and reduce the time it takes to conduct it.

Analyzing the available digital tools, we can highlight the main areas of their application in accounting and auditing of consolidated financial statements (Table 5).

Table 5 - Application of digital tools in accounting and auditing of consolidated financial statements

Tool	Application in accounting	Application in auditing
Cloud technologies	- centralized storage and access to group data in real time; - automation of collection and aggregation of financial information from subsidiaries.	- remote access to client account data; - collaborative work of the audit team with information in real time.
ERP systems	- end-to-end integration of data from various divisions and companies of the group; - automation of intragroup operations and their elimination.	- conducting an audit directly in the system; - the possibility of testing internal controls and forming an evidence base.
AI and Machine Learning	- automatic identification and classification of transactions; - forecasting financial indicators for management accounting.	- analysis of large data sets to detect anomalies and fraud; - assessment of risks of material misstatement and focusing the audit on problem areas.
Big Data technologies	- processing and analysis of large volumes of financial information to identify hidden trends.	- in-depth data analysis to verify the completeness and reliability of information; - use of analytical tools to visualize financial indicators.
Blockchain	- ensuring the immutability and transparency of intra-group transactions; - creation of a reliable register of transactions, which simplifies their reconciliation.	- increasing confidence in data integrity; - reducing the need for manual transaction checks.
BI platforms (Business Intelligence)	- visualization of financial data and key indicators on interactive dashboards.	- formation of bi-dashboards for operational control and analysis during the audit; - decision-making support based on visualized analytics.

Source: author's development

In the context of digital transformation, artificial intelligence (AI) and business intelligence tools are becoming key elements in improving accounting and auditing processes. These technologies allow you to automate labor-intensive tasks and conduct in-depth data analysis that was previously impossible.

With the help of artificial intelligence (AI) and business analytics, auditors and accountants can now process vast amounts of financial and non-financial data with greater efficiency. This capability allows for the identification of intricate connections, subtle trends, and potential risks, leading to a significant improvement in the accuracy and depth of analysis. Machine learning algorithms are particularly effective at pinpointing unusual transactions and deviations from established norms, enabling auditors to direct their attention to the riskiest areas. This focused approach is crucial for detecting potential fraud or errors, thereby strengthening the reliability of financial reporting. These advanced tools also automate many mundane tasks like data entry, account reconciliation, and transaction categorization. This not only reduces the probability of human error but also enables skilled professionals to dedicate their time to more valuable, strategic, and analytical work. The integration of AI and business intelligence into accounting and auditing is, therefore, not simply a passing trend but a necessary evolution for enhancing the efficiency, transparency, and trustworthiness of financial reporting.

Furthermore, blockchain technology is becoming a game-changer in the audit of consolidated financial statements. It is a powerful tool for validating transactions by ensuring their immutability, transparency, and unquestionable integrity. When a company uses a blockchain infrastructure, auditors can directly access the original records in the distributed ledger, eliminating the need for paper documentation. This significantly boosts confidence in the audit evidence. Data verification can be conducted using smart contracts, event hashing, and timestamping, a method that aligns completely with the requirements of International Standard on Auditing (ISA) 500 “Audit Evidence” and considerably enhances the verification's overall reliability.

One of the key areas of implementation of the latest digital technologies is the use of cloud technologies. This approach, known as cloud accounting (or online accounting), reflects the modern paradigm of accounting organization. It allows you to effectively process, store and administer significant amounts of information. The main advantages of this approach are:

- high flexibility in data aggregation;
- the possibility of sharing access and remote work;

• optimization of information exchange processes.

However, the integration of cloud technologies is associated with certain threats and risks. The main operational vulnerability is the dependence on a stable connection to the Internet. Therefore, the primary task is to ensure multi-level information security and confidentiality. This, in turn, requires continuous professional development of accounting and analytical personnel, who must have integrated competencies for effective work in a cloud environment, data validation and expert advice (Holovchak & Holovchak, 2024).

Overall, the digital integration of financial and managerial reporting is an essential part of modern business transformation. It offers numerous benefits and presents promising opportunities for companies' future growth (Table 7).

Table 7 - Benefits and prospects of digital reporting integration

Advantages	Prospects
1. Increased efficiency Improving the company's interaction with key stakeholders	1. Innovative technologies Using artificial intelligence and machine learning to improve reporting quality
2. Cost reduction Reducing processing and reporting costs	2. Data reliability Integration with blockchain technologies to ensure authenticity
3. Increased transparency Increased transparency and trust among stakeholders	3. Interactive reporting Providing access to real-time reporting
4. Improved analytical capabilities Ability to conduct deep analysis of large data sets (Big Data) to identify hidden trends and risks	4. Continuous audit Moving from periodic checks to continuous monitoring of financial transactions for early detection of anomalies
5. Optimization of management decisions Providing management with relevant and comprehensive information to make more informed and timely decisions	5. Report integration in Creating a single, comprehensive reporting that combines financial, management, and non-financial indicators (e.g., integrated reporting)

Author's development

Modern ERP (Enterprise Resource Planning) systems, which unify all key business functions – from accounting and logistics to human resources management – are a crucial technological solution for integrating financial and managerial reporting. Thanks to real-time data integration, these systems prevent information duplication and ensure data consistency, making it possible to generate reports for various purposes based on a single set of rules.

To further enrich financial statements, as noted by Shkromyda, Maksymiv, and Hnatiuk (2025), the use of Business Intelligence (BI) platforms is highly effective. These platforms convert large volumes of raw data into visual information that supports both strategic and operational decision-making. The customizable nature of these tools allows for the creation of dashboards with varying levels of access and detail, which significantly enhances the capabilities of financial reporting.

EPM (Enterprise Performance Management) systems also play a vital role. They integrate key processes such as budgeting, financial forecasting, and risk management. Employing these solutions for reporting allows for the synchronization of goals and outcomes across different management levels, creating a strong foundation for producing unified reports.

The practical effectiveness of digital transformation of accounting and auditing of consolidated financial statements is confirmed by the experience of large Ukrainian enterprises. A prime example is the project implemented at JSC Ukrposhta in 2021–2022, where an ERP platform was implemented. This large-scale project, implemented with the participation of IT-Enterprise, allowed to automate more than 70% of the main business processes in 26 branches. Thanks to this, an integrated environment was created for the procurement, treasury, financial control and management accounting modules, which ensured full digital interaction with counterparties and government agencies.

A feature of this case was the fully digital audit of the consolidated financial statements for 2021, which was conducted by Baker Tilly. The auditors worked directly in the ERP system environment, which guaranteed high transparency, reliability and efficiency of the audit. The use of real-time BI panels made it possible to monitor key indicators and form an evidence base that meets international audit standards, such as ISA 315, ISA 500 and ISA 520. This experience of JSC Ukrposhta clearly demonstrates the successful implementation of a digital audit in a large state-owned company, confirming the relevance and effectiveness of integrated technological solutions in financial control (Spitsyna, NV, & Uhodnikova, OI, 2025).

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Today, there is a noticeable gap between what is taught in higher education institutions and what is required by modern practice. This leads to a mismatch between the skills that future specialists acquire and the real requirements of professional activity in the conditions of rapid digitalization. This state of affairs creates an urgent need to update educational programs for accountants and auditors.

A report by the Institute of Management Accountants (IMA) notes that employers are increasingly looking for auditors with well-developed business intelligence competencies. This confirms that reviewing and constantly updating educational programs is not just a desirable, but a necessary step and a global trend in the context of digital transformation (Blix, L. H., Edmonds, M. A., & Sorensen, K. B., 2021).

In summary, consolidated reporting, which includes both financial and non-financial data, allows an enterprise to create a reliable information source. On its basis, the company can communicate transparently with various stakeholders, providing them with access to relevant information according to their needs, level of access and information role.

Conclusions

The study found that consolidated financial reporting is an essential tool for ensuring transparency and reliability of financial information in corporate groups. It forms a holistic picture of the financial condition, performance and cash flow of enterprises united by a single economic interest, and at the same time creates a basis for making strategic management decisions.

In today's digital landscape, traditional methods for creating consolidated financial statements are being replaced by intelligent, automated control systems. The adoption of technologies like Big Data, artificial intelligence, blockchain, and cloud platforms enables the automation of large-scale data processing. This significantly enhances the accuracy of consolidation, improves the timeliness of reporting, and boosts the overall quality of the audit.

Digitalizing the accounting and auditing processes for consolidated reports offers

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several key advantages:

- minimizing human error: automation helps to minimize human mistakes and the risk of errors when eliminating intra-group transactions;
- improving data quality: it increases the transparency, efficiency, and reliability of financial data;
- enhancing analytical capabilities: digital tools allow for expanded analytical capabilities to better assess the effectiveness of management within a group of companies;
- enabling continuous auditing: it creates the conditions necessary for real-time auditing, moving beyond periodic checks.

Despite these benefits, the ongoing development of digital accounting and auditing systems faces a range of significant challenges. It's crucial to harmonize national standards with international ones, strengthen the cybersecurity of accounting systems, and adapt the professional skills of accountants and auditors to new technological demands.

Future research should focus on:

1) developing new methodologies for using AI in consolidated reporting audits to more efficiently verify inter-corporate transactions;
2) evaluating the impact of digital platforms on the quality of management and financial analytics in enterprise groups;
3) exploring blockchain technology as a tool for ensuring data immutability and increasing trust in audit findings;
4) improving the regulatory framework to align with the principles of the digital economy and international demands for financial transparency.

Ultimately, digital transformation does more than just optimize the accounting and auditing of consolidated financial statements. It fundamentally alters the very paradigm of financial reporting, shifting the focus from a backward-looking, post-facto approach to a forward-looking, predictive, and analytical management of data. This change opens up new opportunities for businesses to become more competitive in the global digital environment.

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