International Journal of Economic Literature (INJOLE) e-ISSN: 3026-0221
Vol. 3 No. 2 November 2025, page., 253-271

DIGITAL TRANSFORMATION IN CORPORATE GOVERNANCE: IMPLICATIONS FOR ACCOUNTING TRANSPARENCY AND MANAGERIAL ACCOUNTABILITY

Loso Judijanto*[1]
IPOSS Jakarta, Indonesia
Email: losojudijantobumn@gmail.com

Yunia Oktari
Universitas Buddhi Dharma, Indonesia
Email: yunia.oktari@ubd.ac.id

Abstract

This study aims to analyze the implications of digital transformation in corporate governance on accounting transparency and managerial accountability using a literature review method. Digital transformation has brought fundamental changes to corporate management systems through the adoption of technologies such as big data analytics, blockchain, artificial intelligence, and cloud computing, which impact oversight, reporting, and managerial decision-making mechanisms. This literature review examines various previous studies to understand how digitalization strengthens corporate governance practices by improving information accessibility, audit efficiency, and financial data integrity. Furthermore, this study explores emerging challenges, such as cybersecurity risks, algorithmic bias, and the digital competency gap among stakeholders. The study's findings indicate that the appropriate application of digital technology in corporate governance systems can strengthen accounting transparency by improving reporting accuracy and speed, and foster managerial accountability through real-time data-based monitoring systems. However, successful implementation depends on the organization's commitment to balancing technological innovation with ethical principles in governance. Therefore, digital transformation is not merely a technological adaptation but also a process of recontextualizing governance principles, requiring strategic collaboration between technology, regulations, and business ethics.

Keywords: Digital Transformation, Corporate Governance, Accounting Transparency, Managerial Accountability

INTRODUCTION

Digital transformation has become one of the most significant forces transforming how organizations operate, interact, and make decisions in the

[1] Correspondence author

modern era. In the context of corporate governance, developments in information technology have expanded the scope of oversight, accelerated the flow of information, and fundamentally altered managerial accountability mechanisms (Alassuli et al., 2025). Digitalization in corporate governance serves not only as an administrative tool but has become a strategic instrument determining the effectiveness and efficiency of decision-making, particularly in maintaining accounting transparency and managerial accountability. This phenomenon demonstrates that digital transformation not only impacts internal business processes but also has significant implications for the fundamental principles of good corporate governance, which are oriented toward openness, responsibility, fairness, and accountability (Shenkoya, 2022).

Along with technological advances such as big data analytics, artificial intelligence, blockchain, and cloud computing, corporate governance practices are beginning to transform toward more data-driven and automated systems. These technologies enable companies to strengthen the integrity of accounting data, increase the transparency of financial reports, and minimize the opportunity for information manipulation by internal parties. For example, the application of blockchain in recording financial transactions guarantees data security and traceability, which directly increases stakeholder confidence in the validity of financial reports (Manita et al., 2020a). On the other hand, the use of big data and predictive analytics enables management and the board of directors to make more accurate and evidence-based decisions. Therefore, digital transformation has the potential to strengthen corporate governance by increasing the efficiency, accuracy, and transparency of internal oversight processes.

However, this change also presents new challenges in the context of managerial accountability. Management's role is no longer limited to decision-making based solely on intuition or experience, but must be able to utilize digital technology ethically and responsibly. Digitalization increases the complexity of managerial responsibilities because integrated information systems can easily detect irregularities, ethical violations, or discrepancies in financial reporting. Thus, managerial accountability becomes more measurable and transparent to shareholders and regulators. However, increased transparency also has the potential to create new pressures for managers, particularly in maintaining the balance between operational efficiency and adherence to good governance principles (Varoglu et al., 2021).

Digital transformation also brings fundamental changes in the way companies interact with stakeholders. In conventional governance models,

information flows are top-down and tend to be closed. In the digital era, information transparency has become a requirement demanded by the public and capital markets. Companies that implement transparent digital-based reporting systems tend to gain greater investor trust, increase company value, and strengthen their corporate reputation. Conversely, companies that fail to effectively adopt digital transformation risk losing public legitimacy and facing serious compliance issues (Gunasilan, n.d.). Therefore, integrating digital technology into governance is not just a trend, but a strategic necessity to ensure corporate sustainability and competitiveness in an increasingly competitive global market.

In the accounting context, digital transformation has a significant impact on recording, reporting, and auditing processes. Digital accounting systems enable real-time transparency, simplifying financial monitoring and evaluation by various parties. Furthermore, digital audits and the use of data analytics accelerate the verification process of financial reports and reduce the risk of human error. However, on the other hand, reliance on digital systems also presents new risks such as cybersecurity, data integrity, and the potential for algorithmic manipulation (Sari & Muslim, 2023a). Therefore, a key challenge in modern corporate governance is ensuring that the use of digital technology not only increases efficiency but also strengthens the values of integrity, honesty, and responsibility in financial reporting.

Beyond technological aspects, digital transformation also impacts organizational structure and culture. Effective governance in the digital era requires adapting a corporate culture that supports innovation, transparency, and cross-functional collaboration. Boards of directors and audit committees are required to understand the dynamics of technology and the risks associated with the digitization of business processes. The digital competence of company leaders is a critical success factor in implementing the principles of technology-based good governance (Al Shanti & Elessa, 2023). Therefore, digital transformation in corporate governance cannot be separated from aspects of human resources, training, and organizational ethics. Only through synergy between technological innovation and strong governance values can companies achieve a balance between economic profit and social responsibility.

Furthermore, in a global context, various regulatory bodies and international organizations have begun to address the impact of digital transformation on corporate transparency and accountability. For example, the OECD and the World Bank emphasize the importance of digital governance

frameworks that ensure public information transparency and the integrity of financial reporting. In many countries, regulations related to digital audit trails and electronic reporting systems have been implemented to strengthen corporate oversight. For multinational companies, this means that digital transformation is not only an internal necessity but also a form of compliance with international standards that increasingly demand cross-border transparency. Thus, the relationship between digital technology, corporate governance, and accounting transparency is becoming increasingly close and complex in the digital economy era (Lombardi & Secundo, 2020).

Based on this description, the study "Digital Transformation in Corporate Governance: Implications for Accounting Transparency and Managerial Accountability" is highly relevant. This study aims to understand how the digital transformation process is changing corporate governance mechanisms and how this impacts financial reporting transparency and managerial accountability. Using a multidisciplinary approach encompassing technology, accounting, and management, this research is expected to provide theoretical and practical contributions to strengthening good corporate governance practices in the digital era. Furthermore, the findings are expected to provide recommendations for regulators, auditors, and managers in designing policies and strategies that ensure that digitalization truly enhances transparency and accountability, rather than creating new forms of inequality and uncertainty in corporate governance in the future.

RESEARCH METHOD

This research uses a literature review with a descriptive-analytical approach to understand the implications of digital transformation in corporate governance on accounting transparency and managerial accountability. This method was chosen because it allows researchers to examine various academic sources, institutional reports, and relevant empirical studies in the fields of accounting, management, and corporate governance. Secondary data was obtained from reputable international journals, company financial reports, corporate policies, and regulatory documents addressing the topics of digital governance, digital accounting systems, and corporate accountability. All data was analyzed qualitatively to identify patterns, themes, and relationships between the application of digital technology and transparency practices and managerial accountability in modern organizations.

The analysis was conducted through three main stages: identifying relevant literature, synthesizing findings, and interpreting implications for

corporate governance theory and practice. In the first stage, a systematic search was conducted using keywords such as "digital transformation," "corporate governance," "accounting transparency," and "managerial accountability." Next, previous research findings were analyzed to identify conceptual and practical gaps in the application of digital technology to accounting systems and managerial oversight mechanisms. This approach not only provides a comprehensive understanding of the development of theory and practice, but also reveals how digitalization drives the creation of more transparent, efficient, and accountable governance in the digital economy era.

RESULT AND DISCUSSION

Theoretical Framework: Corporate Governance and Digitalization

The theoretical framework regarding the relationship between corporate governance and digitalization positions these two concepts as two important, mutually reinforcing pillars in the context of corporate modernization. Corporate governance essentially focuses on the systems, processes, and mechanisms used to direct and control a company to achieve a balance between the interests of various stakeholders, such as shareholders, management, employees, customers, and the community. Meanwhile, digitalization is a fundamental transformation in how organizations operate and interact through the use of digital technologies, including process automation, data analytics, artificial intelligence, and cloud-based information systems (Dementieva & Zavyalova, 2020). Theoretically, the relationship between the two can be explained through the key principles of governance, including transparency, accountability, responsibility, and fairness. Digitalization serves not only as an operational tool but also as a catalyst that strengthens the implementation of these governance principles through increased efficiency, real-time reporting, and more objective and measurable oversight.

Theoretically, the concept of corporate governance has evolved from various theories, such as agency theory, stakeholder theory, and stewardship theory. Agency theory highlights the relationship between owners (principals) and managers, where potential conflicts of interest often arise due to differing goals. In this context, digitalization can play a role in reducing information asymmetry between the two parties through transparent digital financial reporting systems and technology-based audits. Technologies such as blockchain, for example, can provide immutable transaction records, thereby increasing trust between management and shareholders. Thus, agency theory

gains practical reinforcement from digitalization, enabling more accurate and efficient monitoring and evaluation of managerial performance. While stakeholder theory emphasizes the importance of balancing the interests of all company stakeholders, digitalization expands the scope of interaction and communication through digital platforms that facilitate broader participation, including from employees, consumers, and the public. Open and interactive digital systems enable companies to build more transparent relationships and be more responsive to social and environmental needs (Moşneanu, 2020).

Furthermore, stewardship theory, which assumes managers act as guardians of the organization's interests, also takes on a new dimension through digitalization. The use of data analytics, automated performance reporting systems, and the integration of technology into decision-making enable management to carry out their role more effectively, evidence-based, and accountably. Within this framework, digitalization strengthens managers' moral and professional responsibilities to optimize resources and create long-term value for the organization. Furthermore, systems theory is also relevant for understanding the complex interrelationships between various organizational components in the digital era. Digitalization creates a corporate ecosystem interconnected through data networks, where decisions in one business unit can directly impact the entire governance system. Transparency and information integrity are central elements in maintaining the stability and sustainability of this system (Kuzminova et al., 2020).

Digitalization has also revolutionized the implementation of transparency principles in corporate governance. Transparency is no longer limited to the openness of annual reports or the disclosure of financial information, but also includes the provision of real-time data accessible to shareholders and regulators. Enterprise Resource Planning (ERP) systems and cloud technology enable companies to present accurate and up-to-date financial reports, while minimizing the risk of data manipulation. Furthermore, the use of big data analytics enables boards of directors to gain strategic insights into company performance, operational risks, and market behavior (Östergård, 2023). From a theoretical perspective, digital transparency shifts the paradigm of corporate oversight from a hierarchical model to a data-driven, participatory one. Oversight is carried out not only by internal parties, but also by the public and external stakeholders through public access to company information. This creates a more open governance environment and enhances managerial accountability.

The principle of accountability in corporate governance has also undergone significant transformation with digitalization. Digital systems enable greater traceability of every decision and transaction made by management. With a digital audit trail, every business activity can be easily documented and verified, thus clarifying individual responsibilities in the decision-making process. In the context of agency theory, this strengthens internal control mechanisms because owners can assess agent performance more objectively. Furthermore, the use of technologies such as artificial intelligence in compliance analysis helps companies ensure that all business policies and practices comply with applicable regulations and ethical standards. Digitalization thus serves as a reinforcement for an efficient and integrated accountability system, reducing the potential for fraud and strengthening the overall integrity of the organization (Achim et al., 2022).

The principle of fairness also takes on new meaning in the digital era. In corporate governance theory, fairness encompasses the equal treatment of all shareholders, including minority shareholders and other stakeholders. Digitalization supports this principle by creating more equitable access to information through transparent digital platforms. Investors from diverse backgrounds can access the same data without discrimination, thereby reducing the potential for misuse of information by certain parties. Furthermore, digital systems also support internal fairness by automating employee selection, promotion, and evaluation processes based on data, rather than subjective preferences (Backer, 2025). Thus, digitalization not only strengthens the technical dimensions of governance but also emphasizes the moral and ethical aspects underlying corporate justice.

More broadly, digitalization has contributed to the emergence of a new paradigm in corporate governance theory: the digital governance framework. This framework combines classic corporate governance principles with digital technological innovations to create governance that is more responsive, inclusive, and adaptive to changes in the global business environment. Digital governance encourages the implementation of digital ethics, data security, and cyber risk management as integral parts of corporate responsibility. Furthermore, this concept broadens the meaning of accountability not only to shareholders but also to society and the broader digital environment (Randive, 2024a). This suggests that corporate governance theory is undergoing a conceptual evolution toward integrating ethical values, sustainability, and technology.

Therefore, theoretically, it can be concluded that digitalization is not merely an instrument for operational efficiency but also a driver of fundamental transformation in corporate governance. Through the use of digital technology, the principles of transparency become more open, accountability stronger, and fairness more assured. The synergy between classic corporate governance theories and digital innovation creates a governance model that is more adaptive to the dynamics of the digital economy and the needs of modern stakeholders. This theoretical framework provides an important foundation for further research on how organizations can design digital governance strategies that not only improve business performance but also strengthen public trust and corporate sustainability in the era of digital transformation.

Technological Drivers of Corporate Governance Transformation

The development of digital technology has become a key driver in the transformation of corporate governance in the modern era. The application of various technologies such as artificial intelligence (AI), blockchain, big data analytics, and cloud computing has fundamentally changed the way companies manage, monitor, and report their activities. These technologies not only improve operational efficiency but also strengthen transparency, accountability, and integrity in corporate decision-making processes. In the context of corporate governance, these technological advances present significant opportunities to create a more objective, responsive, and data-driven oversight system, thereby minimizing the potential for irregularities and increasing stakeholder trust (Agrawal, 2022a).

Artificial intelligence (AI) is becoming one of the most transformative elements in modern corporate governance. With its ability to perform complex data analysis and detect unusual behavioral patterns, AI has helped companies improve internal oversight and risk management systems. Machine learning algorithms enable automated and continuous audits and evaluations of managerial decisions (Randive, 2024b). For example, AI can be used to analyze suspicious financial transactions, detect conflicts of interest, and provide predictive policy recommendations for strategic risks. Thus, AI not only functions as a tool to support efficiency but also as a governance mechanism that promotes greater objectivity and accountability. Furthermore, AI can assist boards of directors in strategic decision-making based on extensive and up-to-date data, thus making corporate decisions more rational and evidence-based.

Blockchain is also one of the most significant innovations in promoting transparency and trust in corporate governance. This technology enables

decentralized and immutable transaction recording, thereby reducing the possibility of financial and administrative data manipulation. In the context of corporate governance, blockchain provides a transparent audit trail mechanism for shareholders and regulators to trace every corporate transaction activity. The use of blockchain in financial reporting also enables automatic verification of submitted data, reducing reliance on third parties and lowering compliance costs (Chiu & Lim, 2021). Furthermore, smart contracts built on blockchain technology can automate the execution of corporate agreements in accordance with agreed-upon rules, thereby minimizing the potential for ethical violations and moral hazard in corporate governance.

Meanwhile, big data analytics plays a crucial role in strengthening oversight and strategic decision-making at the management and board levels. Through large-scale data analysis, companies can more accurately identify market trends, customer behavior, and even potential operational risks (Ekaterina, 2025). In the context of governance, the ability to process and analyze this massive data allows for faster evaluation of board performance, compliance with company policies, and the effectiveness of business strategies. Big data also strengthens the principle of transparency because the entire decision-making process can be based on documented empirical evidence, rather than intuition alone. Thus, data-driven governance is becoming a new paradigm in modern governance that is more adaptive to changes in the dynamic global business environment.

Cloud computing complements other technologies by providing a flexible and integrated infrastructure for corporate information systems. Through cloud technology, companies can store, manage, and share data securely and in real time with all stakeholders, both internal and external. The primary advantage of cloud computing in corporate governance lies in its ability to efficiently support cross-departmental and cross-regional collaboration without compromising data security. Furthermore, the cloud also enables companies to implement continuous audit and reporting systems, where financial and operational data can be updated and verified directly by auditors or regulators through a digital platform. The integration of the cloud with AI and analytics technologies also creates an intelligent governance ecosystem where decision-making processes can be carried out quickly, measurably, and transparently (Jain & Mitra, 2025).

Technology-driven corporate governance transformation not only brings efficiency but also demands changes in organizational culture and structure. Companies need to develop stringent data governance policies, ensure

cybersecurity, and build digital competency across all levels of management. Boards of directors and audit committees must understand the implications of technology for governance risks and opportunities, and be able to interpret the results of technology analyses from an ethical and sustainability perspective. Furthermore, the application of technology must remain aligned with the basic principles of corporate governance, such as fairness, transparency, responsibility, and accountability. This is crucial so that digital transformation focuses not only on accelerating processes but also on strengthening moral values and corporate integrity (Manita et al., 2020b).

Overall, artificial intelligence, blockchain, big data analytics, and cloud computing have become key pillars in the corporate governance revolution. These four technologies not only improve management efficiency and effectiveness but also strengthen the principles of transparency and accountability, which are at the core of corporate governance. Companies that are able to integrate these technologies into their governance systems will be more competitive, able to respond more quickly and appropriately to changes in the global business environment. However, the success of this transformation depends heavily on the organization's readiness to manage digital risks, ensure ethical use of technology, and build an adaptive regulatory framework. Thus, technology-based governance transformation is not just a trend, but a strategic necessity for creating sustainable, transparent, and responsible companies in the digital era.

Digital Tools for Accounting Transparency

The development of digital technology has brought fundamental changes to the world of accounting, particularly in terms of transparency and accuracy of financial reporting. As business complexity and stakeholder expectations for information transparency increase, organizations are required to utilize technology as a primary tool in maintaining the integrity of financial data. In this context, the implementation of digital reporting systems, real-time auditing, and data analytics have become strategic instruments capable of strengthening the principles of accounting transparency, increasing reporting reliability, and accelerating the process of accurate, data-driven decision-making. This transformation impacts not only the technical aspects of accounting but also more accountable and efficient corporate governance (Manita et al., 2020b).

Digital reporting systems have become a key pillar in improving the accuracy and transparency of modern financial reporting. These systems replace conventional manual document-based approaches with digital

mechanisms that enable automated and integrated data processing. Through the use of cloud-based software, such as XBRL (eXtensible Business Reporting Language), companies can report financial data more quickly, consistently, and directly for verification by regulators and investors (Sari & Muslim, 2023b). The main advantage of digital reporting systems is their ability to ensure uniformity in report formats and minimize the risk of human error in the data input process. Furthermore, digital reporting systems also facilitate access for stakeholders to review, compare, and validate published financial information, thus creating a more transparent and trustworthy financial ecosystem. Thus, digital reporting is not only a matter of administrative efficiency but also a foundation for enhancing a company's credibility in the eyes of the public and regulators.

Meanwhile, real-time auditing is the next innovation that strengthens accounting transparency through continuous monitoring and verification of a company's financial activities. This concept differs from traditional audits, which are conducted periodically after the financial statements are prepared. Real-time auditing allows auditors to access transaction data as it occurs, thus detecting potential irregularities or errors as early as possible. Technologies such as blockchain and the Internet of Things (IoT) are key catalysts in the implementation of real-time auditing because they enable permanent, non-manipulation recording of transactions. The use of digital audit systems also enables continuous monitoring, which helps auditors more effectively assess compliance with accounting standards and internal company policies. With this capability, the audit process serves not only as an error detection tool but also as a preventative system that ensures that all financial activities are conducted in accordance with the principles of transparency and accountability (Christopher Friday et al., 2024).

Furthermore, advances in data analytics play a crucial role in improving the quality and transparency of financial information. Through algorithm-based data analysis and machine learning, companies can extract valuable insights from large and complex volumes of financial data. Data analytics enables auditors and financial managers to identify anomalous patterns, detect potential fraud, and predict financial risks with a higher degree of accuracy. With this predictive capability, managerial decisions can be based on quantitatively verified factual information, rather than simply assumptions or intuition. Furthermore, data analytics enhances the financial reporting process by providing interactive data visualizations, allowing financial information to be presented more transparently and easily understood by various parties. For

example, interactive dashboards allow stakeholders to monitor the company's financial condition in real time and conduct in-depth analysis of key performance indicators (Zainuddin et al., 2025). Therefore, the application of data analytics in accounting not only improves reporting accuracy, but also encourages the creation of a culture of transparency and data-driven decision-making throughout the organization.

The integration of digital reporting, real-time auditing, and data analytics creates an accounting system that adapts to the challenges of the digital era (Zebua, 2025). This combination makes financial reporting a dynamic and ongoing process, not simply an administrative obligation. In an interconnected digital ecosystem, each component plays a role in strengthening the chain of transparency. Digital reporting systems ensure the integrity of input data, real-time audits guarantee the validity of processes, and data analysis yields a deeper understanding of a company's financial results. All three create a continuous cycle of transparency, where every transaction is traceable, every report is verifiable, and every decision is accountable. Consequently, the relationship between companies, auditors, regulators, and investors becomes more open and trusting.

However, implementing digital tools for accounting transparency is not without challenges. Issues of data security, privacy, and human resource readiness are crucial factors that must be considered. The use of digital technology opens new opportunities for efficiency and accuracy, but also increases the risk of information leaks and cyberattacks. Therefore, companies need to ensure that their digital systems have multi-layered protection and implement strict data governance policies (Lestari, 2025). Furthermore, the successful implementation of digital accounting technology depends heavily on the professional competence of accountants and auditors. They are required to have a sufficient understanding of technology and strong analytical skills to effectively interpret financial data. Digital transformation in accounting is not just a system change, but also a transformation of work culture that demands collaboration between technology, human expertise, and professional ethics (Lestari, 2025).

Overall, the use of digital tools to increase accounting transparency reflects a significant evolution in how organizations manage and report their finances. Digital reporting systems provide a foundation of accurate and standardized data; real-time auditing strengthens responsive oversight mechanisms; and data analytics deliver strategic insights that enrich the decision-making process. The synergy of these three tools drives the realization

of a more open, efficient, and reliable accounting system, in line with the demands of the digital era, which emphasizes speed, accuracy, and accountability. Therefore, companies that are able to integrate these three digital tools will not only achieve operational excellence but also build a solid and credible financial reputation in the eyes of the public and the global market.

Challenges and Risks in Digital Corporate Governance

Digital transformation in corporate governance has brought significant changes to how organizations manage information, make decisions, and account for their activities to stakeholders (Dhongde et al., 2025). While digitalization strengthens the principles of transparency and efficiency, this phenomenon also opens up new challenges and risks that must be anticipated with adaptive governance strategies oriented toward risk mitigation. The main challenges in digital corporate governance lie in data security, privacy, and the potential misuse of technology in financial management and reporting processes. These three factors are of central concern because they directly relate to public trust, the integrity of financial reports, and the stability of corporate information systems.

In the context of data security, companies face increasingly complex threats with the increasing use of integrated digital systems. Cyberattacks such as hacking, ransomware, and data theft pose risks that can result in significant financial losses, operational disruptions, and even damage to a company's reputation. Compromised financial data can lead to distortions in reporting and diminish credibility with investors and regulators. In increasingly open digital systems, the boundaries between internal and external security are blurring. Remote access, the use of cloud computing, and cross-departmental application integration expand the attack surface and increase the opportunity for information leaks. Therefore, digital corporate governance requires building a robust cybersecurity framework, including data encryption, regular system updates, and ongoing digital security audits to ensure the integrity and reliability of digital financial systems (Corporate Governance in the Digital Age, n.d.).

In addition to data security, privacy issues also pose a significant challenge to digital corporate governance. The use of analytical technology, artificial intelligence (AI), and big data enables companies to collect and process information on a massive scale. However, careless data management can lead to privacy violations for employees, customers, and business partners. Regulations such as the General Data Protection Regulation (GDPR) in Europe

and various national data protection rules require companies to ensure that all data collection and use is carried out with valid consent and ethical use. In the context of digital financial reporting, personal or sensitive data may also be captured in automated reporting systems, which, if not properly protected, could be exposed to unauthorized parties. This challenge requires digital corporate governance to balance data processing efficiency with compliance with global privacy standards. Failure to maintain privacy not only results in legal sanctions, but also undermines stakeholder trust, which is the main foundation of good corporate governance (Agrawal, 2022b).

The potential for misuse of technology is also a real risk in implementing digital-based corporate governance. Automation of financial reporting processes and the use of analytical algorithms offer significant benefits in terms of speed and accuracy (Huang et al., 2023). However, systems that rely entirely on technology also open up the possibility of digital manipulation through algorithm changes, data manipulation, or infiltration of internal systems to modify reporting results. When accounting and financial reporting systems are automated, the risk of digital fraud increases, and this is often difficult to detect by conventional oversight systems. Therefore, digital governance demands a transparent and accountable technology oversight mechanism, where every automated process must have a digital audit trail that can be independently verified. AI-based oversight needs to be complemented by a human element capable of ethical and contextual assessment, so that the risk of technology misuse can be minimized.

Another challenge inherent in digital corporate governance is the limited understanding and competence of human resources with new technologies. Many boards of directors and financial managers lack the expertise to assess the implications of digitalization on organizational governance and risk. This lack of preparedness can create oversight gaps that lead to misinterpretation of data, negligence in system management, or decisions based on inaccurate information (Fahlevi et al., 2023). Therefore, strengthening digital literacy at the decision-making level is a crucial part of mitigating digital governance risks. Continuous training, recruitment of experts in cybersecurity and digital auditing, and the establishment of technology committees within modern governance structures are increasingly urgent strategic steps to implement.

Another risk is over-reliance on third-party technology service providers. In an interconnected digital environment, many companies rely on cloud systems, software-as-a-service (SaaS), or external analytics providers to manage data and financial reporting. This dependency poses the risk of vendor

lock-in and the potential for information leaks due to errors or negligence on the part of the service provider. Companies need to uphold governance principles that ensure that digital service contracts include clauses on data protection, disaster recovery, and clear legal responsibilities for any potential security breaches. In this context, digital corporate governance must broaden the definition of accountability, encompassing not only internal entities but also the network of external partners involved in the company's digital ecosystem.

On the other hand, rapid technological developments also create regulatory and ethical dilemmas in digital governance. Regulation often lags behind the pace of technological innovation, creating gray areas in the application of corporate law and policy (Manita et al., 2020c). For example, the use of AI in financial decision-making can raise questions about liability in the event of prediction errors or algorithmic bias. In this context, digital governance must establish ethical principles for technology use that prioritize algorithmic transparency, decision accountability, and protection of the public interest. Companies are also required to have a digital ethics policy that serves as a guideline for all technology-based operational processes.

Thus, while digitalization holds great potential for improving the effectiveness, efficiency, and transparency of corporate governance, the accompanying challenges and risks cannot be ignored. Data security, privacy, misuse of technology, limited human resources, and dependence on third parties are important dimensions that must be addressed within a comprehensive digital governance framework. Strengthening governance in the digital era requires a holistic approach, integrating technological, human, legal, and ethical aspects to maintain sustainability and trust in corporate systems. Without a well-developed risk mitigation strategy, digital transformation can create new vulnerabilities that threaten the stability and integrity of the overall corporate governance system.

CONCLUSION

The conclusion of the study "Digital Transformation in Corporate Governance: Implications for Accounting Transparency and Managerial Accountability" confirms that digital transformation has become a major force in strengthening modern corporate governance systems. The integration of digital technologies, such as blockchain, big data analytics, and artificial intelligence, enables organizations to improve efficiency, accuracy, and transparency in the financial reporting process. With integrated digital systems, reporting becomes more real-time, can be automatically audited, and reduces

the potential for data manipulation, thereby strengthening public and investor confidence in the credibility of a company's financial reports.

Furthermore, the implementation of digital technology also has significant implications for managerial accountability. Digitization enables data-driven decision-making processes, reduces the scope for irregularities, and strengthens internal oversight and control mechanisms. Technologies such as data governance platforms and automated compliance systems enable boards of directors and auditors to monitor managerial performance more objectively and transparently. However, this transformation also requires increased human resource capacity in managing data, understanding algorithms, and ensuring that technology use remains compliant with ethical principles and regulations.

Thus, digital transformation in corporate governance is not simply a technological phenomenon, but a paradigm shift in how transparency and accountability are defined and implemented. The success of its implementation depends heavily on the balance between technological innovation, reporting system integrity, and the ethical responsibilities of stakeholders. In the future, companies that can strategically leverage technology within a sound governance framework will gain a competitive advantage while strengthening their legitimacy in the eyes of the public and regulators.

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