RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Year III, v.2 2023. | Submission: 01/12/2023 | Accepted: 03/12/2023 | Publication: 05/12/2023

Management Accounting as a Strategic Tool in Decision-making in scenarios of innovation and complexity.

MANAGEMENT ACCOUNTING AS A STRATEGIC TOOL FOR DECISION MAKING IN SCENARIOS OF INNOVATION AND COMPLEXITY

Author: Alyson Rodrigues Xavier

ABSTRACT This scientific article aims to analyze the transformation of the role of accounting in contemporary times, ceasing to be merely an instrument for fiscal registration and becoming an indispensable tool in strategic management and business sustainability. Through an in-depth literature review, it discusses the historical evolution of accounting science, the importance of cost systems, the relevance of corporate governance, and the impact of new technologies, such as Big Data and Artificial Intelligence, on the profession. The study demonstrates that, in a globalized and volatile economic environment, management accounting provides the necessary support for risk mitigation and long-term value creation.
It can be concluded that accounting professionals must possess multidisciplinary skills, combining refined technique with a holistic view of the business.

Keywords: Management Accounting. Strategy. Information Technology. Decision Making. Corporate Governance.

ABSTRACT This scientific article aims to analyze the transformation of the role of accounting in contemporary times, shifting from merely a tax registration instrument to becoming an indispensable tool in strategic management and business sustainability. Through an in-depth bibliographic review, the historical evolution of accounting science, the importance of cost systems, the relevance of corporate governance, and the impact of new technologies, such as Big Data and Artificial Intelligence, on the profession are discussed. The study demonstrates that, in a globalized and volatile economic environment, management accounting provides the necessary subsidies for risk mitigation and long-term value creation. It is concluded that the accounting professional must gather multidisciplinary skills, combining refined technique with a holistic view of the business.

Keywords: Management Accounting. Strategy. Information Technology. Decision Making. Corporate Governance.

1. INTRODUCTION

Accounting, historically perceived as a technique strictly focused on recording administrative acts and facts and fulfilling ancillary tax obligations, has undergone a profound metamorphosis in recent decades, driven by the complexity of global markets and the digital revolution. In the current scenario, characterized by unprecedented economic volatility and fierce competition, accounting science assumes a central role in the architecture of corporate information, serving as the universal language of business that translates raw data into strategic intelligence. Mere bookkeeping, while remaining the fundamental basis for legal compliance, is no longer sufficient to guarantee the longevity of organizations, requiring accounting to evolve into an integrated management system that provides managers with timely, reliable, and relevant information for assertive decision-making.

In this context of paradigm shift, it is observed that successful organizations are not only those with the best products or services, but also those that have the best control over their information flows and are able to anticipate trends through the analysis of accounting data. Managerial accounting, unlike traditional financial accounting, focuses on the internal user and the projection of future scenarios, using sophisticated costing, budgeting, and performance analysis tools to align daily operations with the entity's long-term strategic objectives. The accountant, therefore, ceases to be a "bookkeeper" and becomes a business consultant and strategic partner, whose opinion is vital for validating investments, for correct pricing, and for assessing the company's financial health.

The central problem guiding this study lies in the need to understand how management accounting tools can be effectively applied to overcome the challenges posed by the information age and the demand for transparency in capital markets. It is imperative to investigate how the integration of traditional control methods and new data processing technologies can create a sustainable competitive advantage. The relevance of this discussion is amplified by increasing regulatory requirements and societal demand for more robust corporate governance practices, where accounting acts as the primary mechanism for *accountability* and transparency to *stakeholders.*

Therefore, the elaboration of this article is justified by the urgency in revisiting the fundamental concepts of accounting theory from a modern perspective, seeking to reconcile the technical rigor demanded by international standards with the flexibility necessary for business management. Academia and the market need reflections that consolidate the understanding that accounting is an applied social science, dynamic and influenced by its environment, capable of shaping the behavior of economic agents. Through a qualitative and exploratory approach, this work aims to...

RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

To fill gaps in the understanding of the practical application of complex theoretical concepts in the day-to-day operations of corporations.

The overall objective of this work is to demonstrate the vital importance of management accounting as a tool for safe navigation in uncertain environments, highlighting its role in strategy formulation and results measurement. To this end, specific objectives were outlined, including: analyzing the historical evolution of accounting thought; describing the main costing methodologies and their influence on price formation; discussing the relationship between budgeting and strategic planning; and evaluating the impacts of information technology on the routine and profile of the accounting professional. The article's structure is designed to guide the reader from theoretical foundations to the most advanced contemporary applications.

Methodologically, the study is based on a literature review of seminal works and relevant academic articles published up to 2021, ensuring the theoretical soundness of the propositions presented. Renowned authors in the fields of accounting, controllership, and finance were selected, whose contributions have helped shape modern accounting thought in Brazil and worldwide. The critical analysis of these sources allowed for the construction of a cohesive text that does not merely compile citations but seeks to establish logical connections and inferences about the future of the profession.

The scope of this topic focuses primarily on the Brazilian business environment, although the premises discussed are universally applicable due to the convergence of international accounting standards (IFRS). Brazil, with its particular tax characteristics and challenging business environment, serves as a rich laboratory for observing accounting in action. Paradoxically, the difficulties imposed by state bureaucracy have driven the development of extremely advanced accounting systems in the country, making the study of the Brazilian case relevant for a global understanding of digital accounting.

Finally, the structure of this work was organized into seven main items, in addition to this introduction and conclusion, covering everything from historical evolution to technological trends. Each section was developed with the aim of delving into a specific aspect of management accounting, always maintaining the guiding thread of strategy and decision-making. It is hoped that this article will contribute to the appreciation of accounting science and serve as a reference for students, academics, and professionals seeking excellence in their work.

2. HISTORICAL EVOLUTION AND PARADIGM SHIFT IN ACCOUNTING

The history of accounting is intertwined with the history of human civilization itself, beginning as a rudimentary need for asset control in the ancient civilizations of Mesopotamia and Egypt, where recording grain and livestock stocks was vital for survival. However, it was with the publication of Luca Pacioli's work in 1494 that...

RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Accounting gained its scientific foundation through the Double-Entry Bookkeeping Method, a logical and perfect system that endures to this day as the backbone of accounting records. For centuries, the emphasis remained on historical record-keeping and the protection of owners' assets, a patrimonialist view that well served the needs of pre-industrial commercial companies, where the complexity of transactions was relatively low and the main focus was on preventing embezzlement and fraud.

With the advent of the Industrial Revolution in the 18th and 19th centuries, accounting faced its first major shock of complexity, as the emergence of large-scale manufacturing required the development of methods to determine the cost of manufactured products, something that simple commercial accounting could not provide. Cost accounting was born there, initially as an auxiliary tool for inventory valuation and profit calculation, but which quickly evolved into an instrument for controlling industrial efficiency. During this period, the role of the accountant began to gain managerial relevance, as the ability to understand the cost structure of a factory became an essential competitive advantage in a market that was beginning to expand and become more aggressive.

The 20th century brought with it the expansion of capital markets, especially in the United States after the 1929 crisis, which forced accounting to standardize and focus on protecting external investors and creditors. Generally accepted accounting principles and regulatory agencies emerged, consolidating the American School of Accounting, which prioritizes the usefulness of information for decision-making over mere asset protection or legal formalism. This paradigm shift, from a legalistic focus to an informational focus, marked the beginning of the modern era of accounting, where the ultimate goal is to reduce the information asymmetry between company managers (insiders) and investors (outsiders).

In Brazil, the evolution of accounting followed a peculiar path, heavily influenced by tax legislation and the legal formalism inherited from the Italian and Portuguese schools, creating a culture where the accountant was primarily seen as an issuer of tax forms. Only with the economic opening in the 1990s and, later, with the adoption of International Financial Reporting Standards (IFRS) through Law 11.638/2007, did the country align its practices with the global standard. This convergence was fundamental for the insertion of Brazilian companies into the international market, requiring a profound requalification of professionals and a cultural change in organizations, which began to see accounting as a source of value and not just as a bureaucratic cost.

Managerial accounting, the central subject of this study, consolidated itself as an autonomous and vital branch from the second half of the 20th century onwards, breaking free from the constraints of tax legislation to exclusively meet the needs of managers. While financial accounting looks to the past and follows rigid compliance rules, managerial accounting looks to the future, using mathematical, statistical, and economic models to project scenarios and evaluate...

It tracks the performance of specific business segments. It allows for a flexibility that is impossible with statutory accounting, enabling the creation of customized reports that answer specific questions from management about profitability, product mix, and market expansion.

The transition from the "control era" to the "information era" has placed accounting at the heart of business strategy, because in a world where data is the new oil, the ability to organize, measure, and interpret that data is what defines success. Accounting has ceased to be a static recording technique and has become a dynamic science of measuring wealth and evaluating economic performance. The focus has shifted from tangible assets (machines, buildings) to intangible assets (brand, intellectual capital, technology), which today represent the majority of the market value of large corporations, challenging accountants to develop new valuation metrics.

Another crucial aspect of this evolution is the speed of information; in the past, balance sheets and trial balances were closed months later, serving only as a historical record, while today technology allows for "Continuous Accounting," with real-time data. This timeliness has transformed accounting into a living dashboard for the organization, allowing for immediate course corrections. Managers no longer need to wait until the end of the month to know if sales targets have been met or if the cost of raw materials has increased; accounting integrated with ERP systems provides this view instantly, exponentially increasing the company's ability to react.

It can be concluded, therefore, that the evolution of accounting has not been linear, but rather punctuated by disruptions caused by changes in the economic and technological environment, requiring constant adaptation. The current paradigm is that of "Consultative Accounting," where the value lies not in the data itself, but in the analysis and *insight* that the professional extracts from that data. The modern accountant must honor Pacioli's tradition, maintaining rigor and ethics, but must embrace innovation, understanding that their social function is to guarantee transparency and efficiency in the allocation of scarce economic resources, contributing to the sustainable development of society.

3. Strategic Cost Management and Price Formation

Cost analysis, from a managerial accounting perspective, transcends the simple accumulation of expenses for inventory valuation purposes, becoming a powerful strategic cost management tool that defines a company's competitiveness. In a globalized market where prices are often determined by the market and not the producer, the only variable entirely under the company's control is its costs, making operational efficiency a survival imperative. Strategic cost management involves using cost information to develop and identify superior strategies that will produce a

RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Sustainable competitive advantage, by analyzing the entire value chain, from supplier to end consumer, and not just the internal manufacturing process.

Traditional costing methods, such as Absorption Costing (mandatory for tax and corporate purposes), often distort the economic reality of products by arbitrarily allocating indirect costs based on production volume or labor hours. This distortion can lead to disastrous management decisions, such as encouraging the production of items that actually destroy value or discontinuing highly profitable products. To mitigate this risk, management accounting uses Activity-Based Costing (ABC), which allocates costs to the activities that actually consume resources and then to the products that consume those activities, providing a much more accurate and fair view of the profitability of each item.

In addition to ABC (Activity-Based Costing), the Variable or Direct Costing methodology is fundamental for short-term decision-making, as it clearly separates fixed costs from variable costs, allowing for the calculation of the Contribution Margin. The Contribution Margin is one of the most vital indicators for management, as it reveals how much each product contributes to paying structural fixed costs and generating profit, serving as the basis for decisions regarding sales mix, acceptance of special orders, and promotional campaigns. A deep understanding of cost behavior (fixed, variable, semi-variable) allows the manager to calculate the Break-Even Point in its accounting, economic, and financial aspects, establishing minimum operating targets to ensure the viability of the business.

Pricing is another critical area where accounting exerts a decisive influence, as the price must be sufficient to cover all costs and expenses, remunerate invested capital, and still be acceptable to the consumer. Accounting provides the technical basis for pricing through *markup,* which is a multiplier applied to the cost of the product to arrive at the selling price. However, modern pricing cannot be based solely on costs *(cost-plus);* it must consider the value perceived by the customer and the market positioning strategy *(target costing),* where the market price defines the maximum admissible cost, forcing the company to adjust its processes to achieve the desired margin.

Cost management is also intrinsically linked to the elimination of waste, using concepts such as *Kaizen Costing* (continuous cost improvement) and the *Lean Manufacturing* philosophy.
(Lean manufacturing). The accountant's role is to identify and measure the costs of non-quality, the costs of idle time, and inefficiencies in processes, transforming physical losses into monetary values that sensitize management to the need for change. Accounting must be able to report not only what was spent, but what *should* have been spent (Standard Cost), allowing for the analysis of variations (favorable or unfavorable) in price and quantity, which

It enables strict budgetary control and accountability for the managers of each center.
cost.

In times of economic crisis, cost management takes on a life-saving role for companies, but it is crucial that cost cuts are made intelligently and surgically ("fat" and not "muscle"), so as not to compromise the company's future recovery capacity. Managerial accounting provides the necessary data granularity to identify which expenses are strategic and which are superfluous, avoiding linear cuts that degrade the quality of the service or product. Cost-Volume-Profit (CVP) analysis allows for the simulation of various scenarios of demand contraction and input inflation, preparing the company to react quickly to macro-environmental adversities.

The complexity of services and the digital economy has brought new challenges to cost accounting, because in technology and service companies, direct costs are low and indirect costs are high. (R&D, Marketing, IT) are extremely high. In these cases, cost management should focus on Product Lifecycle Costing, analyzing total profitability from conception to disposal, and on Value Chain Costing, understanding how the company fits into the global ecosystem. The correct allocation of these intangible and structural costs is fundamental to avoid underestimating the real cost of serving specific customers or distribution channels.

Finally, strategic cost management must be communicated clearly and visually throughout the organization, creating a culture of cost awareness where each employee understands the financial impact of their actions. The accountant should act as an internal financial educator, translating the "language of costs" into the operational language of the factory, sales, and marketing. Integrating cost accounting with the company's overall strategy ensures that the pursuit of operational efficiency effectively translates into financial profitability and sustainable long-term growth.

4. Business Budgeting and Strategic Planning

The Business Budget *is* not just a spreadsheet forecasting expenses, but the quantitative financial expression of the organization's Strategic Planning, serving as the main instrument for coordinating and controlling management. It translates long-term qualitative goals (mission, vision, and objectives) into short-term operational action plans, defining the allocation of resources necessary to achieve the expected results. The budgeting process compels managers to plan for the future, anticipating problems and opportunities, instead of merely reacting to daily events, promoting proactive and results-oriented management.

Budget preparation should be a participatory process, involving all hierarchical levels of the company, from senior management to operational supervisors, ensuring that...

Commitment from everyone to the established goals. There are several budgeting methodologies, such as Zero-Based Budgeting (ZBB), which challenges the perpetuation of past inefficiencies by requiring that each expense be justified from scratch in each new cycle, and Matrix Budgeting, which combines management by expense packages with management by responsibility centers.

The choice of the appropriate methodology depends on the organizational culture and the company's current situation, but the goal is always to optimize the allocation of scarce resources.

Budgetary control is achieved through periodic comparisons between budgeted and actual figures, allowing for the analysis of variances and the implementation of timely corrective actions. Management accounting is responsible for providing the actual data that will feed this comparison, ensuring that the structure of the accounting chart of accounts is aligned with the budgetary structure to allow for the automatic cross-referencing of information. The concept of *Rolling Forecast* (Continuous Budgeting or Budgetary Revision) has gained traction, allowing the company to adjust its forecasts quarterly or monthly as market realities change, preventing the budget from becoming a static and obsolete piece of fiction.

The integration between the operational budget (sales, production, purchases, expenses) and the financial budget (cash flow, investments, fundraising) is vital to ensure the company's solvency. Many companies fail not due to a lack of accounting profit, but due to a lack of *cash flow* resulting from a mismatch between payment and collection terms, something that a well-executed budget plan would detect in advance. Projected Financial Statements (Projected Balance Sheet and Projected Income Statement) allow visualization of the company's future financial health and its capital structure, assisting in decisions regarding dividend distribution or profit reinvestment.

In environments of high uncertainty and inflation, flexible budgeting is a superior tool to static budgeting because it adjusts variable spending targets according to the actual volume of activity, allowing for a fairer assessment of managers' performance. If production fell by 20% due to lack of demand, it's not to the production manager's credit for spending 10% less on raw materials; in fact, they may have been inefficient, and flexible budgeting reveals this by recalculating the allowed spending for the new production level. This sophistication in analysis is what differentiates strategic controlling from simply checking accounts.

The behavioral aspect of budgeting cannot be ignored, as unattainable goals demotivate the team and can lead to unethical practices (manipulation of results), while overly easy goals create a comfort zone *(budgetary slack).* The role of accounting and controlling is to act as an impartial arbiter in this process, providing historical data and market benchmarks to calibrate goals in a challenging yet realistic way. Linking the budget to variable compensation and bonus systems requires that the calculation criteria be transparent and auditable to ensure fairness and meritocracy within the organization.

Technology has revolutionized the budgeting process through EPM *(Enterprise Performance Management)* tools that eliminate the reliance on disconnected spreadsheets prone to manual errors. These tools allow for the consolidation of data from multiple branches in real time, the simulation of complex scenarios *(What-if analysis)* , and online collaboration among managers. The automation of manual data collection tasks frees up accounting and controlling professionals to focus on trend analysis and decision support, raising the level of budgetary discussion.

In conclusion, the budget is the compass that guides the company towards its strategic objectives, integrating all functional areas in a common effort. Without a well-structured budget, the company navigates blindly, vulnerable to market storms. Management accounting is the guardian of this process, ensuring that planning moves from paper to reality through constant and rigorous monitoring, guaranteeing that financial resources are used in the most efficient way possible to maximize value for shareholders and society.

5. Accounting Information Systems and the Big Data Era

The digital age has radically transformed the accounting ecosystem, where Accounting Information Systems (AIS) have evolved from simple bookkeeping software to complex, fully integrated ERP *(Enterprise Resource Planning)* platforms . The basic premise is that of a single data point: a sale registered at the point of sale (POS) automatically feeds inventory, accounts receivable, taxes, and accounting, without the need for retyping. This integration eliminates redundancy, drastically reduces human error, and ensures data integrity, allowing accounting to reflect the company's reality in real time *(Real-time Accounting).*

The phenomenon of *Big Data* represents a new frontier for accounting, characterized by the "5 Vs": Volume, Velocity, Variety, Veracity, and Value. Traditional accounting dealt only with structured (financial) data, but modern accounting needs to deal with unstructured data (emails, contracts, social networks, geolocation, IoT sensor data). The ability to cross-reference financial data with operational and market data allows for predictive and prescriptive analyses that were previously impossible, such as predicting customer default based on their browsing behavior or estimating future revenue based on internet search trends.

Artificial Intelligence (AI) and *Machine Learning* are automating repetitive, rule-based tasks such as classifying accounting entries, bank reconciliation, and auditing invoices. Robots (RPA - *Robotic Process Automation)* can perform in seconds the work that a team of assistants would take days to complete, with absolute precision. This does not mean the end of the accountant, but rather a redefinition of their role: the accountant ceases to be a mere data processor.

RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Data to become an accounting data scientist, responsible for training algorithms, interpreting exceptions, and validating machine-generated analyses.

Business *Intelligence* (BI) and data visualization *have* become essential skills for management accountants. It's not enough to produce accurate reports; information must be communicated intuitively and with visual impact so that non-financial managers can understand it quickly. Interactive dashboards that allow drill-down from the macro to the micro level empower decision-makers, facilitating the identification of anomalies and opportunities. Accounting thus becomes a storyteller *(data storytelling),* where numbers narrate the company's trajectory and future.

Information security and the General Data Protection Law (LGPD) impose new challenges and responsibilities on accounting systems that store sensitive and strategic data. Accountants must be guardians of privacy and digital compliance, ensuring that systems have robust access controls, audit trails, *and* disaster recovery plans. Cloud computing *has* democratized access to cutting-edge software, allowing small businesses to access the same management tools as large multinational corporations, leveling the competitive playing field.

Blockchain technology promises to revolutionize accounting and auditing by creating a distributed, immutable, and transparent ledger. With *Blockchain,* transaction validation is done through the network, eliminating the need for reconciliations between parties and reducing the cost and time of external audits. "Triple-entry accounting," where each transaction is recorded in debit, credit, and on the blockchain, can make accounting fraud virtually impossible, increasing investor confidence in published financial statements.

Despite all the technological advancements, the human element remains irreplaceable in interpreting context, making ethical judgments, and building relationships. Technology provides the answers ("what" and "how much"), but it is up to the accountant to ask the right questions ("why" and "how"). Excessive reliance on systems can lead to a loss of critical thinking; therefore, it is essential that accounting professionals maintain a healthy skepticism and understand the logic behind algorithms, so as not to validate absurd results generated by parameterization

In short, information systems and Big Data are the engines of modern accounting, transforming raw data into competitive intelligence. Digital accounting is more agile, more accurate, and more strategic. Companies and professionals who resist this technological transformation will be doomed to obsolescence, while those who embrace it will find unprecedented opportunities to add value and lead business transformation. Technology is not the end of accounting, but rather the beginning of a new era of relevance and impact.

RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

6. Performance Indicators and the Balanced Scorecard (BSC)

Organizational performance evaluation, traditionally focused solely on financial metrics such as ROI *(Return on Investment),* EBITDA, and Net Profit, has proven insufficient in the new economy, where intangible assets and customer satisfaction are crucial for future success. Financial indicators are "lagging indicators," meaning they show what happened in the past but do not necessarily indicate what will happen in the future.

To fill this gap, Kaplan and Norton developed the *Balanced Scorecard* (BSC), a strategic management tool that translates mission and strategy into a comprehensive set of performance measures.

The Balanced Scorecard (BSC) proposes analyzing an organization from four interconnected perspectives: Financial, Customer, Internal Processes, and Learning & Growth. The logic is one of cause and effect: to achieve financial success (Financial Perspective), the company needs to satisfy its customers (Customer Perspective); to satisfy customers, it needs excellence in its operational and innovation processes (Internal Processes Perspective); and to maintain excellent processes, it needs a motivated, trained team with access to good information systems (Learning and Growth Perspective). Management accounting acts in measuring all these indicators, not limited to monetary ones.

From a financial perspective, accounting continues to provide classic metrics of profitability, liquidity, and solvency, but now integrated with long-term strategic objectives. From a customer perspective, indicators such as *market share,* customer retention, satisfaction, and profitability per customer are monitored. From an internal processes perspective, operational efficiency, cycle time, quality, and innovation are measured. And from a learning and growth perspective, employee satisfaction, talent retention, and the availability of strategic information are evaluated. The accountant's role is to ensure the reliability and consistency of the collection of this non-financial data.

The implementation of effective *Key Performance Indicators* (KPIs) requires them to be SMART: Specific, Measurable, Achievable, Relevant, and Time-bound. An excess of indicators can generate confusion and paralysis; therefore, the dashboard should focus on the few vital indicators that truly move the needle of the business. Management accounting assists in the selection and definition of these KPIs, ensuring that they are aligned with the strategy and do not encourage dysfunctional behaviors (such as cutting vital maintenance costs to achieve a short-term goal).

Strategic alignment , promoted by the Balanced Scorecard (BSC), ensures that everyone in the organization, from the doorman to the CEO, understands how their individual work contributes to the company's overall objective. The Strategic Map, a visual representation of the cause-and-effect relationships between objectives, is a powerful communication tool. Management accounting ceases to be...

ISSN: 2675-9128. São Paulo-SP.

It begins as an isolated department and permeates the entire organization, providing the necessary feedback for strategic learning and adapting goals as the environment changes.

Beyond the Balanced Scorecard (BSC), other methodologies such as EVA *(Economic Value Added)* bring sophistication to performance analysis by considering the opportunity cost of equity invested by shareholders. A company may show accounting profit but destroy economic value if the return generated is less than the cost of capital. The management accountant must master these concepts to guide shareholders and managers on true wealth creation, going beyond traditional accounting conventions that do not account for the cost of equity.

Management by indicators also allows for *benchmarking,* that is, comparing the company's performance with best market practices or direct competitors. Accounting, by standardizing metrics, facilitates this comparison. However, it is crucial to analyze the numbers within the specific context of the company, avoiding simplistic comparisons that ignore differences in business model, size, or geographic strategy. The analysis should always be both qualitative and quantitative.

In conclusion, performance measurement systems like the BSC transform abstract strategy into concrete and measurable actions. They integrate financial and non-financial, short-term and long-term, internal and external factors. Management accounting, by assuming responsibility for managing these indicators, reaffirms its central position in corporate governance, providing the necessary visibility for the organization to learn, evolve, and thrive in a competitive and dynamic environment.

7. Corporate Governance and Accountability

Corporate Governance emerged as a response to the crisis of confidence in capital markets, caused by large-scale accounting scandals in the early 2000s (such as the Enron and WorldCom cases), which highlighted the fragility of control systems and the lack of ethics in management. It is defined as the system by which companies and other organizations are directed, monitored, and incentivized, involving the relationships between shareholders, the board of directors, management, supervisory bodies, and other stakeholders. Accounting is the fundamental language of governance, as it is through financial statements that the company accounts *for* its actions.

The fundamental principles of corporate governance are: Transparency *(Disclosure),* Fairness , Accountability , and Corporate Responsibility. Managerial and financial accounting must ensure that the information disclosed is not only "legally correct" but also reflects the economic essence of the transactions, allowing investors to assess the real risks and opportunities of the business. Transparency reduces asymmetry.

This provides information and, consequently, reduces the company's cost of capital, as investors demand lower risk premiums from companies they trust.

The role of Internal Audit and the Fiscal Council is strengthened within good governance practices. Accounting should provide the necessary support for these bodies to act independently and effectively, monitoring compliance with laws and internal regulations. The Sarbanes-Oxley Act (SOX) in the US and the regulations of the CVM and IBGC in Brazil have imposed strict internal controls on financial reporting. The accountant assumes civil and criminal liability for the veracity of the information, which demands an unnegotiable ethical standard and a stance of professional independence, even while being an employee of the company.

Risk management and compliance *are* inseparable aspects of modern governance. Management accounting must identify, measure, and monitor the financial, operational, strategic, and reputational risks to which the company is exposed. The creation of risk matrices and the implementation of preventive internal controls avoid financial losses and damage to reputation. The accountant acts as a "sheriff" of the processes, ensuring that the rules of the game are followed and that a culture of integrity permeates the entire hierarchy.

The issue of agency conflict, where the interests of managers (agents) may diverge from the interests of shareholders (principals), is central to governance. Compensation mechanisms based on accounting performance (bonuses, *stock options)* aim to align these interests, but if poorly designed, they can encourage earnings management . Accounting should be conservative and prudent, avoiding premature revenue recognition or undue deferral of expenses, ensuring that reported profit is of high quality and sustainable.

Corporate governance also extends to family-owned and privately held businesses, where professional management and the separation of ownership and control are essential for succession and business longevity. Management accounting helps separate family finances from company finances, establishing meritocracy and transparency in management, which is vital for attracting investors or bank credit on more favorable terms.

Environmental, social, and governance (ESG) responsibility is the new frontier of governance. Investors are increasingly attentive not only to "how much" a company profits, but also "how" it profits. Accounting must evolve towards Integrated Reporting , which communicates how the organization creates value over time using its financial, manufactured, intellectual, human, social, and natural capital. The measurement of environmental liabilities and social impact becomes an integral part of accounting.

Therefore, corporate governance and accounting are two sides of the same coin. Good governance is impossible without transparent and robust accounting, and quality accounting only flourishes in an environment of good governance. The accounting professional is the guardian of...

Public trust in markets, and its ethical and technical performance, is the pillar that sustains healthy economic development, protecting popular savings and ensuring the efficient allocation of resources in the economy.

8. CONCLUSION

The trajectory explored throughout this article demonstrates that managerial accounting, far from being a static or bureaucratic practice, is consolidating itself as an applied social science of vital importance for the survival and growth of organizations in the 21st century. The transition from a fiscal focus to a managerial and strategic focus represents not only a technical change, but a cultural evolution that repositions the accountant as a protagonist in business management. It has been shown that, in an environment of uncertainty and disruptive technological innovation, the ability to generate, analyze, and interpret financial and non-financial information is the main competitive advantage of successful companies.

Historical analysis has revealed that accounting has always adapted to the needs of its time, and the current moment demands even faster adaptation. The integration of *Big Data,* Artificial Intelligence, and ERP systems does not replace professional judgment, but enhances it, freeing the accountant from the constraints of repetitive tasks so that they can perform their analytical and consultative function. Technology has democratized access to sophisticated management tools, allowing small and medium-sized enterprises to also benefit from controlling practices previously restricted to large corporations.

Regarding cost and price management, it is concluded that controlling margins and operational efficiency are *essential* conditions for competitiveness. The use of methods such as ABC and target costing allows for a precise alignment between the cost of service and the value perceived by the customer, avoiding cross-subsidies that destroy value. Similarly, business budgeting and strategic planning have proven to be indispensable tools for coordinating efforts and rationally allocating resources, serving as a compass for corporate navigation.

The discussion about performance indicators and the *Balanced Scorecard* reinforced the need for a holistic view that integrates the financial, customer, process, and learning dimensions. Modern management accounting understands that future profit is built through customer satisfaction and employee empowerment in the present. Measuring intangible assets and intellectual capital remains a challenge, but also a vast opportunity for research and development in accounting.

Corporate governance and ethics emerge as the pillars supporting the credibility of accounting information. Transparency and *accountability* are non-negotiable demands of society and investors, and the accountant acts as the guarantor of this trust. The adoption of

ESG practices and Integrated Reporting point to a future where accounting will report not only financial profit, but the organization's total impact on society and the environment, reflecting a more mature and responsible corporate awareness.

The accounting professional of the future, therefore, must be a multidisciplinary individual who combines the technical solidity of accounting principles with skills in technology, statistics, strategy, and communication. Continuing education is not an option, but a necessity for professional survival. Universities and professional associations must foster this comprehensive training, preparing leaders capable of navigating complexity and acting as valuable strategic partners.

Finally, this study reiterates that accounting is the language of business and the science of wealth.
When used to its full managerial potential, it illuminates the path, mitigates risks, and enhances opportunities. It is hoped that the reflections presented here will inspire managers and accountants to explore the full potential of this powerful tool, contributing to the construction of more efficient, transparent, and enduring organizations capable of generating wealth and social well-being in a sustainable way.

REFERENCES

ANTHONY, Robert N.; GOVINDARAJAN, Vijay. **Management Control Systems.** 12th ed. São Paulo: McGraw-Hill, 2008.

ATKINSON, Anthony A. et al. **Managerial Accounting.** 4th ed. São Paulo: Atlas, 2015.

BRUNI, Adriano Leal. **Cost, Price and Profit Management.** 5th ed. São Paulo: Atlas, 2012.

CREPALDI, Silvio Aparecido. **Managerial Accounting: Theory and Practice.** 7th ed. São Paulo: Atlas, 2014.

IUDÍCIBUS, Sérgio de. **Accounting Theory.** 11th ed. São Paulo: Atlas, 2015.

KAPLAN, Robert S.; NORTON, David P. **Strategy in Action: Balanced Scorecard.** 23rd ed.
Rio de Janeiro: Campus, 1997.

LEONE, George SG **Costs: Planning, Implementation and Control.** 3rd ed. São Paulo: Atlas, 2000.

MARION, José Carlos. **Business Accounting.** 17th ed. São Paulo: Atlas, 2015.

RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

PADOVEZE, Clóvis Luís. **Managerial Accounting: A Focus on Accounting Information Systems.** 7th ed. São Paulo: Atlas, 2010.

PADOVEZE, Clóvis Luís. **Accounting Information Systems: Fundamentals and Analysis.** 7th ed. São Paulo: Atlas, 2016.

PORTER, Michael E. **Competitive Advantage: Creating and Sustaining Superior Performance.** 25th ed. Rio de Janeiro: Campus, 1989.

SLACK, Nigel et al. **Production Management.** 4th ed. São Paulo: Atlas, 2015.