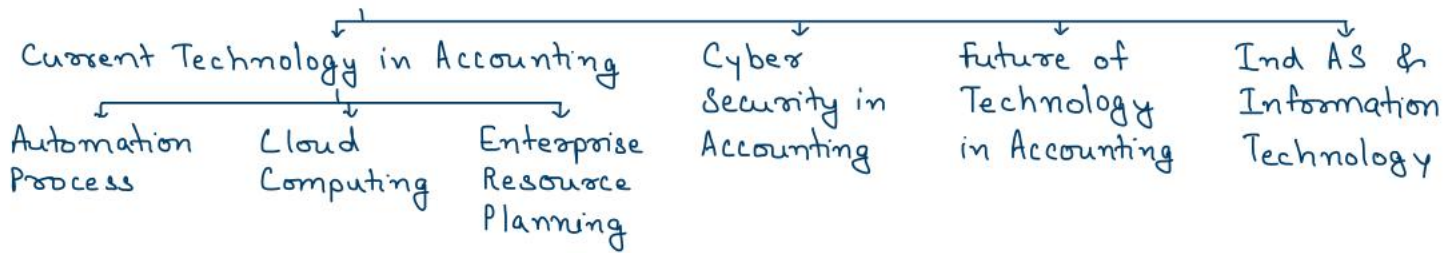


Introduction

This Chapter discuss the uses & impact of technology on accounting profession as follows :-



Automation Process

(1) Meaning :-

It is the use of software & other tools to automate manual processes, making them faster & accurate.

(2) Benefits :- **SAFE SI**



(3) Challenges / Drawbacks :- **PNR**



(4) Robotic Process Automation [RPA] :-

- It is an emerging technology that revolutionizes financial reporting process by utilizing software robots (bots) to automate manual & repetitive tasks.
- Bots can extract data, perform calculations & generate reports by mimicking human intervention with digital systems.

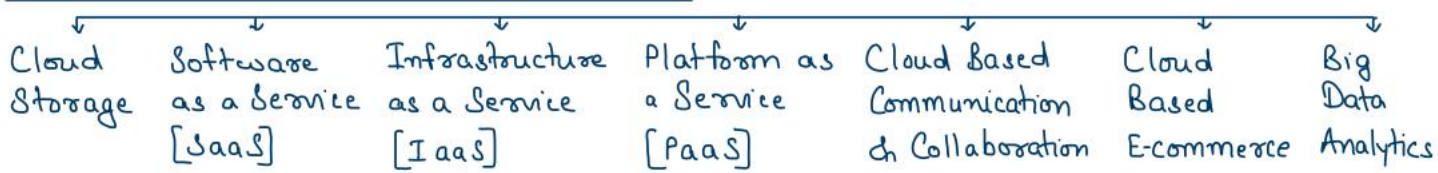
[Example: Using RPA Bots to Prepare Consolidated Financial Statements]

Cloud Computing

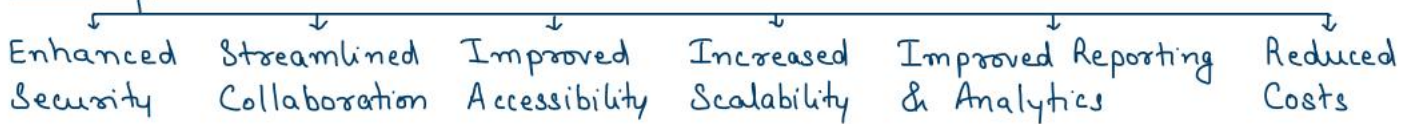
(1) Meaning :-

It refers to delivery of computing services over the Internet [i.e. Remote access to data & system].

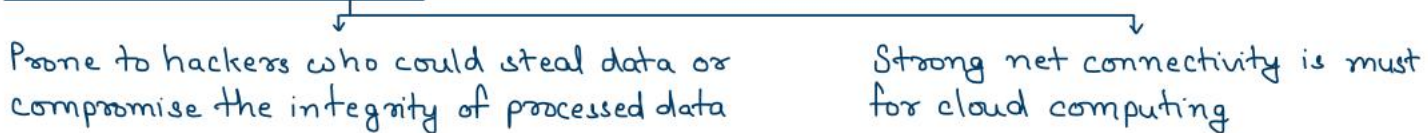
(2) Applications / Cases of Cloud Computing :- CS IPCC Big



(3) Benefits :- ESIIIR



(4) Challenges / Drawbacks :-



Enterprise Resource Planning [ERP]

(1) Meaning :-

- It is a software that organisations use for managing day to day business activities like accounting & supply chain operations.
- It connects multiple business processes & eliminates data duplication.
- It has single defined data structure with common database (schema).

(2) Benefits :- BCLIER



(3) How does an ERP System work ? :-

- It uses a defined standard data structure where information of department is immediately available to authorised users.
- Realtime data is woven into business processes across departments
- It is of most value when company has modules for each major business function.

(4) Illustrative Steps for Integrating Internal Control Over financial Reporting with ERP

OR

Illustrative Steps for financial Closing & Reporting with ERP :-

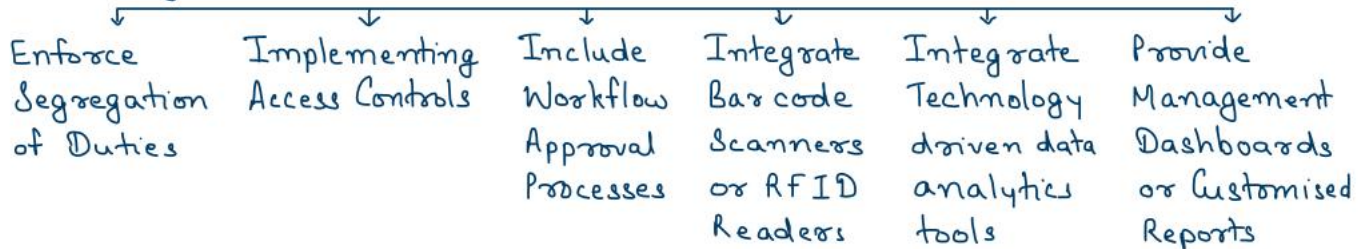
- Verify that process includes identification of financial reporting requirements.
- Review documented process to ensure it aligns with financial reporting policies.
- Use Change Management functionality to track & validate changes.
- Verify that changes are authorised by designated individuals.
- Review Change requests to ensure proper authorization.
- Validate that Roles & Responsibilities in the process are clearly defined.
- Assess qualifications of individuals assigned to financial reporting roles.
- Validate that individuals responsible for financial reporting have appropriate knowledge.

(5) ERP System for Inventory Management :-

- Steps to be followed to enable ERP : **MID Track DIPU**

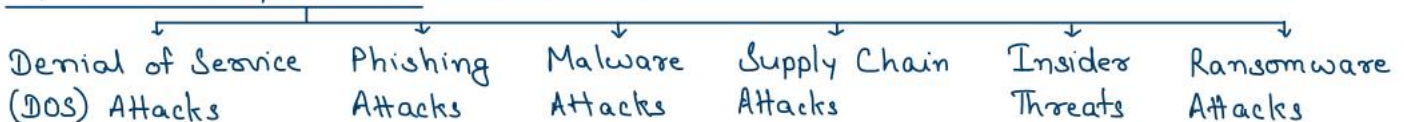
- Maintain Bill of Materials Management
- Implement Purchase Order Controls
- Define appropriate Costing Methods
- Track Labour Costs
- Define Overhead Absorption Rate
- Integrate ERP System with General Ledger Modules
- Perform Periodic Reconciliations
- Utilise the Reporting Capabilities

- Integration of Internal Control Over financial Reporting with respect to Inventory in ERP System : **Enforce IIIIP**



Cyber Security in Accounting

(1) Cyber Security Threats :- DPM S I R



(2) Measures to Mitigate Cyber Security Risks :- **PAINEED**



Future of Technology in Accounting

(1) Blockchain :-

• Meaning :

- It is a decentralized & transparent ledger that enables secure transactions.
- It offers a distributed network where information is shared & verified by multiple participants.

• Impacts of Blockchain on Financial Reporting :- **CSRISEE**

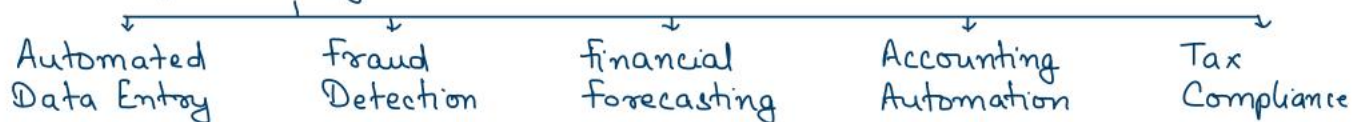


(2) Artificial Intelligence [AI] :-

• Meaning :

- It refers to simulation of human intelligence in machines enabling them to perform tasks that would require human intervention.
- It can be used to analyze data & make predictions about future trends.
- AI & Machine Learning [ML] are technologies that enable computers to learn & perform tasks without being programmed to do so.

• Benefits / Advantages : **AFFAT**



• Challenges / Risks :



Ind AS & Information Technology

(1) Role of Technology in Ind AS Implementation & Validation :-

- Ind AS is a principle based framework. Hence, Technology can automate

the validation process for Ind AS implementation by configuration at the account level [Rule Based Validations].

- If Account level configuration is not done, then Use 'Microsoft Excel' [External Source of Technology] to perform such validations.

(2) Steps to automate the Ind AS Implementation process using technology :-

- Integrate the Accounting Software with Other Operational Systems.
- Extract relevant data from accounting package / contract documents.
- Use Custom queries or predefined templates to extract information.
- Clean the data by removing unnecessary information.
- Analyze the clauses in contract.
- Define the criteria or rules for categorizing contracts as per relevant Ind AS.
- Codify each clause by assigning appropriate parameters / tags / attributes / labels / values based on defined criteria.
- Assign Scores / Weights / Boolean Values ["0" or "1"] to parameters.
- Establish conditions using Excel formulas (logical functions)
OR
Develop Automated Algorithms / Scripts / Rules to evaluate data.
- Based on the analysis & findings [i.e. Utilize the Scores / Weights assigned to parameters], determine or evaluate the result.
- Document the rationale & result of the analysis.
- Advanced Technologies that may be adopted are :
 - Use tools such as Business Intelligence Software.
 - Utilize OCR technology to extract information automatically.
 - Apply Machine Learning & NLP Techniques to extract data automatically.
 - Utilize Workflow Automation tools to streamline the process.