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Artificial Intelligence, the end of Accounting



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Einstein, with the uncanny future insight for which he was widely renowned, encapsulated the dichotomy that currently faces the accounting profession; embracing the world's breathtakingly rapid technological advances without sacrificing the values and ethics that have so long sustained and defined the profession (ICAEW).

"It has become appallingly obvious that our technology has exceeded our humanity."

– Albert Einstein

The world has noticed some rapid and disruptive technologies destroying and creating a new breed of skill sets. The overall changes in technology have made most people redundant and completely unable to fit into the new work demands and frameworks. This is further expounded by the introduction of robotic automation, chatbots, telematics, big data analytics, the internet of things, and data mining.

What does this mean to an accountant and the typical roles they perform on a daily basis? A typical accounting clerk is responsible for data entry, bookkeeping, some clerical work, to mention just a few. The introduction of the fourth technological revolution; argumentative and virtual reality, has culminated in automation throughout data

entry to bookkeeping. Large corporations, for example SAP SE, introduced an integrated Enterprise Resource Planning (ERP) system that consolidates business information into a single document. The impact of this ERP was to take over data entry and bookkeeping work and reduce the demand for clerical assistants.

The trend did not only impact junior accountants, some senior accountants' roles are also being performed by powerful accounting systems. The introduction of big data and data mining is affecting the senior accounting profession whose responsibilities are to analyze financial information and make informed economic decisions. The systems are becoming capable of analyzing large amounts of data in a split second. Compared to the manual era, a few accountants are needed in accounting functions.

The changes have led to some anxiety around job security and the future role of accounting. *What are possible solutions that could be implemented to safeguard the future of accounting in a technologically paced environment?*

The leading Chartered Accountant Institutes in the UK, Australia, New Zealand, Ireland, India, Pakistan, Singapore, Scotland, and South Africa have hosted debates across the globe to discuss how fast-pacing technology can impact or enhance the accounting profession. ACCA, in 2019, stated that every firm needs to adopt digital invoicing, which allows entry and more efficient participation in local and global supply chains. A lot of Accounting organisations have adopted new frameworks which will help professional accountants to stay relevant. *There are, amongst others, two possible solutions to safeguard the profession and are already being implemented. These are: radical thinking and flexibility.*

Accountants should think radically

The profession needs to be open to more profound change and avoid just defending or incrementally improving the status quo.

Artificial intelligence enables greater insight from data, it assists human experts to make better decisions and provide better advice. The systems continue to get more powerful; they will be able to move further into complex decision areas, potentially replacing humans altogether in many cases and enabling entirely different solutions, services, and models. Furthermore, it will alter the specific skills and qualities that accountants bring to a business. This goes beyond technical knowledge and involves incorporation of qualities such as professional skepticism, gaining and applying insight from numbers and ensuring that numbers can be trusted.

Accountants should be adaptive

It is almost impossible to predict the extent to which computers will replace human decision-making over the next twenty to thirty years. There is a much broader context and the long-term future of accountancy will ultimately reflect how we, as humans, see and shape our relationship with powerful systems. Therefore, accountants should have a flexible approach when thinking about the future. Accountants will need to continually understand technological advancements and assess impact to their roles.

Looking at our regional impact, technology has changed the working framework. Previously, chartered accountants, under the Institute of Chartered Accountants Zimbabwe (ICAZ) and South African Institute of Chartered Accountants (SAICA), were required to demonstrate competence in seven areas incorporated under the old Chartered Accountants competence framework. The competence framework has now been broadened to include the need to appreciate technology, critical thinking, and adaptability to remain relevant hence a new future fit framework on the books for ICAZ and a CA2025 framework for SAICA.

The Chartered Governance and Accountancy Institute (CGI) [formerly The Institute of Chartered Secretaries and Administrators of

Zimbabwe (ICSAZ)] also adopted a framework to incorporate the technological skills accountants require to stay relevant in this volatile, uncertain, complex and ambiguous (VUCA) world.

Conclusively, technological advancements are inevitable and accountants who are not willing to adapt and think radically will be forced out of the game. The only solution to such changes is to adapt and promote efficiency.