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EMERGING TRENDS IN ACCOUNTING – AN OVERVIEW

Dr.G.Srinivas

Assistant Professor

Department of Commerce, Telangana University

ABSTRACT:

The accounting world is ever changing due to the rapid advancements in Information Technology; today's corporate environment is tremendously dynamic. Big Data, Data Analytics & Forecasting Tools, Mobile Technologies, Automated Accounting Processes, Cloud computing platforms Block Chain, and Forensic Accountancy, all of which are geared to meet a wide range of business requirements. The new accounting technologies are reducing the work of accountants and improving better decision making through their automated processing systems by proving the data quality beyond this the new accounting technologies also provides data visualisation and eliminate unnecessary data through data cleaning and data profiling tasks. The purpose of this research article is to describe the most recent and upcoming trends in the field of accounting and also the paper discusses the main characteristics of cloud computing, big data and analytics along with mobile technologies.

Keywords: Technologies, Cloud- based Accounting, Data Analytics,

INTRODUCTION:

In this digital era plenty of new accounting technologies are emerging, like, Cloud-based Accounting, Data Analytics & Forecasting Tools, Mobile Technologies, Automated Accounting Processes, Cloud computing platforms Block Chain, and Forensic Accountancy, so it's important for company management to keep update on new trends and tools in order to enhance their financial decision-making abilities. Accountants' job is being transformed by new technology, affecting the lives of millions of people throughout the world. In light of the rapid pace of technology advancements, this problem is becoming increasingly prevalent. Several causes, including fast technical advancements, more globalised and readily facilitated communication via the internet, and legal and regulatory reforms, have contributed to these shifts. Now tools like artificial intelligence and cloud computing have become an integral part of the Today's accounting system. Digital accounting solutions have emerged as a result of technological

advancements, allowing expanding businesses to better handle transactions, satisfy consumer needs, and increase staff efficiency. Now a days the business environment has become extremely dynamic due to the rapid changes in the information technology field, driven by competition and performance. The accounting field is subject to this new era of change. The IoE (Internet of Everything) era is reshaping the accounting profession following the current needs of the organizations. Artificial intelligence and process automation are taking over the redundant and repetitive tasks performed by the professionals, creating room for more complex activities, such as analysis and business advisory. The accountants need to develop new skills to work efficiently with emerging technologies such as cloud platforms, Big Data, data analytics and mobile technologies. As the academic environment represents the connection between the aspiring accountants and the profession, researchers emphasize that the universities should provide their students with a proper support to gain at least theoretical knowledge in the IT area.

Objectives of the Study:

- To identify the trending IT advances which are influencing the accounting industry
- To discuss opportunities created by the latest technologies
- To portray new perils to the profession
- To identify the new skills that today's accountants need to be expert in this field.

1. Automated Accounting Processes

Accounting Process Automation enhances the speed, accuracy, and reliability of the reconciliation to adjustment process. By automating business regular and high-volume transactional activities. Automation has already made its way into the field. According to an ACCA research, more than half of C-level accounting executives expect automated accounting solutions across many businesses. Furthermore, 70% of businesses have experienced significant ROI after implementing automation in their accounting procedures. Nowadays, accounting software comes with a host of integrations and helps expedite routine processes. Also, it uses RPA (Robotic Process Automation) to standardize transactional data from multiple sources in multiple formats. This process is also known as harmonization. Large-scale enterprises opt for Enterprise Resource Planning (ERP) systems instead of standalone accounting software. Such systems provide enterprises with the following features in addition to an accounting module:

- Procurement
- Order Management
- CRM
- Supply chain management
- Inventory management
- Logistics
- Human resource management

2. Cloud-based Accounting

It is one of the most popular accounting trends, and every company wants to use into the systems. The demand for online accounting has grown during the pandemic, and accounting software is the best way to do it remotely. We may keep business books online with a cloud-based accounting solution. Only persons with correct credentials may access the data because it is encrypted. Cloud accounting software has the potential to take company to the next level. The benefits of cloud- based accounting system are listed below.

- Sales and revenue data is instantly imported from the bank account to the cloud server.
- We can see current financial position from any location by using a remote system.
- Multi-user access allows us to work in real-time with team members and advisors online.
- The dashboard indicates significant financial statistics using easy-to-apprehend graphs and reports.

3. Data Analytics and Forecasting Tools

Data analytics isn't one of the current developments in accounting, however it has emerge as extra effective than ever before. Businesses and accounting companies use such tools for budgeting, tax consulting, risk management, and auditing. We can say that data analytics and visualization tools have made finance capabilities greater analytical. Moreover, companies are growing their performance and handling risks without problems via way of means of leveraging the strength of data analytics. The recent data analytics tools like power BI, R Programming, Tableau Public, Python, SAS, Apache Spark, Rapid Miner and even Advanced Excel are a powerful role in the data analytics and these tools helping the companies in better decision making by providing necessary data in visual form.

5. Blockchain

Blockchain is one of the new trends in accounting; it has a very close relationship with ledgers, which are used to keep track of things. The main job of blockchain is to keep a ledger account with financial information. It is also responsible for the transfer of the ownership of assets in a secure and verifiable manner. All of the big companies are looking into how blockchain could be used in their financial processes. For example, Walmart, and other big retailers have already tried out beta blockchains in their supply chains. So, soon, blockchain will be a big deal for accountants.

It is an incorruptible digital ledger of economic transactions that can be programmed to record not just financial transactions but virtually everything of value. By allowing digital information to be distributed but not copied, blockchain technology created the backbone of a new type of internet.

6. Forensic Accountancy

Forensic accountancy is one of the latest accounting trends, and techniques and not many people know about it Fraud, corruption, and money laundering are some of the financial crimes for which forensic accountants are employed by law enforcement or private auditing businesses. Accounting, criminal and civil law, and information technology are all areas of expertise in which they excel.

The job profile of forensic accountants includes the following tasks:

- Design strategies to prevent and detect commercial crimes.

- Obtain and review financial documents to uncover inaccuracies or discrepancies.
- Quantify revenue losses and damages done by contract breaches.
- Design and implement fraud risk management programs.
- Conduct interviews with suspects and witnesses involved in financial scams.
- Provide litigation support and present findings that an attorney can use as trial evidence in a court of law.

Thus, forensic accountants can protect your business from scams and save you from losses amounting to billions of dollars.

7. Advisory Services

One of the most recent accounting developments, according to industry observers, is the integration of technology and financial advisers. To get the most out of analytics, accountants might use a hybrid strategy like this.

In accounting, automation can't completely replace people. However, accounting companies' ability to provide top-notch service may be improved with the application of cutting-edge technology. There will no longer be a need for tedious and time-consuming activities for accountants, for example.

Increasing customer trust in data and improving advise are two benefits of combining technology and advisory services. Advisory businesses can employ robotic process automation (RPA) and artificial intelligence (AI) to better grasp customer intent and provide personalized counsel.

8. AI in Accounting

The accounting sector is benefiting from Artificial Intelligence (AI). It has the ability to evaluate vast amounts of data quickly and accurately. Automation of administrative duties, workflows, and accounting procedures can lead to numerous structural changes in a company. Robotic Process automation (RPA) and Artificial Intelligence (AI) are increasingly being used to automate ordinary, repetitive processes. It frees up accountants' time for other important tasks. Accounting company EY, for example, use AI to examine leasing agreements. Artificial Intelligence (AI) enables faster data collection before the start date. It also keeps track of the contract's cancellation or renewal choices, as well as the payment amount.

9. Big Data in Accounting

The accounting sector relies heavily on Big Data. It provides assistance to businesses and CPA firms through the use of more comprehensive evaluation techniques. A finance expert can utilise big data to uncover the most important information and then turn it into actionable insights.

They may focus on evaluating processes, taking positive control of the systems and anticipating issues before they occur when they have access to big data.

More than six out of ten companies globally plan to implement big data within a few years, based on accounting data and current trends (Dresner, 2020). Meanwhile, a growing number of companies are looking to hire accountants who have a strong background in data analytics and machine learning. With the use of big data, the accounting profession is moving away from being reactive and toward being proactive.

10. Remote Work Setting

Firms are having a difficult time finding qualified candidates in the financial and accounting fields in post COVID. They need to widen their search for candidates and their criterion for recruiting. Nowadays, the majority of job seekers prefer remote employment. The epidemic has forced accounting executives to enable their workers to work from home. Even after the pandemic, 85% of CPA companies will enable their workers to work remotely, according to a 2020 poll by Arizent (Source: Accounting Today, 2020).

11. Outsourcing of Accounting Functions

There is a growing trend of corporations outsourcing their accounting activities. It has a slew of advantages. Outsourcing helps businesses to better utilise their limited in-house resources, resulting in higher profits. There are fewer employees to pay for benefits and induction fees because of this.

The emerging trend in accounting is to outsource certain aspects of accounting tasks. It's not uncommon for firms to be really pleased with the value of outsourced accounting services. CPA companies are increasingly turning to outsourcing as a viable business strategy for delivering high-quality services to their clients. Others take a step further and do in-depth analyses of the client's company processes to provide even more value.

12. Dynamic standards of accounting

Changing financial regulations and norms throughout the world have made accounting an ever-changing business. Updates on changes in accounting rules are issued by the Financial Accounting Standards Board (FASB) on a regular basis. For example, in 2021, there will be changes to asset acquisitions, credit losses, leases, debt securities, variable interest entities, reorganisations, and disclosures required by banking regulations. Businesses and accountants alike should be on the lookout for changes of this nature in order to stay on the right side of financial legislation.

New skills that today's accountants need to be expert.

Accounting offers a wide range of career options for both beginners and experienced professionals. To obtain the job and achieve success in the accounting field, the job seeker has to learn the most demanded accounting abilities. These skills are not just number crunching ones, but a combination of both technical knowledge and soft skills. It is imperative that the accounts must have excellent computer abilities because of the volume of data that must be handled on a daily basis. Apart from basic Excel and Word capabilities, good computer skills in accounting include a good working understanding of many types of accounting software. Today's accountants must utilise a wide range of accounting software, including timekeeping, payroll, and resource management programmes, etc

Some of the examples of in-demand accounting tools include:

- Advanced excel and modelling techniques
- ERP tools such as SAP, Oracle, etc.
- Big data analytics and query languages (eg: SQL)
- Microsoft visual basic
- Power BI for Data Visualization

Conclusion:

One of the most eagerly awaited advancements in accounting is the introduction of cloud computing, use of AI and Data Analytics. According to analysts, even if companies must use on-premise solutions to deploy their cloud-based apps, they will see the benefits of doing so. The worldwide accounting software market share is predicted to provide the significant income in the next years, internationally. With a forecasted annual growth rate of 11.6% from 2021-2026, the cloud managed service market is expected to rise to \$115.6 billion. Accountants' jobs are made easier by the use of cloud technology. According to Sage Advice's "The Practice of Now 2020: The Essential Report for Accountants," 67% of accounting professionals have benefited from cloud technology in increasing the quality of their work. Cloud-based solutions were used by 53 percent of respondents for project management and client communication. The accounting sector has a promising future. Automaton is causing a lot of concern among professionals, who fear losing their employment. A machine cannot function without human input, though. Because of this, they must keep up with the latest accounting trends in order to remain competitive in today's business world.

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