

ROBOTIC ACCOUNTING: A NEW MODEL IN ACCOUNTING AND FINANCE

Dr. Mangu Ram*
Dr. Rahul Taparia**

ABSTRACT

Accounting is a language of business, so accounting information must be understandable, relevant, reliable and comparable. On the basis of accounting information stakeholders takes decisions on the basis of requirements. Information generated by accounting must have quality of reliability and must be free from material error and bias so that it can be relied upon by users to represent faithfully that which it either represents or could reasonably be expected to represent. Now-a-days Robots taking hold of the world of learning and interesting discoveries about Artificial Intelligence are making sure that in the days to come manual accounting is going to change through cloud accounting and robotic accounting. Robotic accounting requires Robotic Process Automation (RPA) for working procedure. This paper focus on the concept of Robotic Accounting, its applications and benefits it would ripe.

KEYWORDS: *Rural Robotic Accounting, Robotic Process Automation (RPA).*

Introduction

Today, days have gone by where slow and steady wins the race, especially in the field of business where the slogan has now changed from, "slow and steady", to "the quicker it is the better it is ." In the modern business world where there is a cut throat competition a delay of fraction of a second in generating responding disseminating or adapting to an information may bring down curtains of the business organization, so it becomes inevitable for the practitioners of accounting, which is regarded as system of information generation and dissemination to reckon the need of the hour and develop new and advanced means of information generation and dissemination along with accounting concepts, postulates and principles with the use of cutting-edge technology, which would accounting information more worthy to its users as in modern corporate world information delayed is treated as equivalent to opportunity denied

With ever changing and evolving field of accounting various new methods and facets are coming and taking centre stage and making financial reporting better, easier, and worthy than ever before Cloud Accounting and Robotic Accounting are one of them. Cloud Accounting is a simple way of performing accounting operations through software that is hosted remotely on the cloud – i.e., Internet, instead of using software hosted locally on a desktop where company's data and concern software stored hard disk of a desktop, with the objective of accessing of these data retrieve at any time, at any place and at any device which has internet connection, whereas robotic accounting requires Robotic Process Automation (RPA) for working procedure.

* Assistant Professor, Department of Accounting, Jai Narain Vyas University, Jodhpur, Rajasthan, India.

** Guest Faculty, Department of Accounting, Jai Narain Vyas University, Jodhpur, Rajasthan, India.

Robotic Process Automation (RPA)

Robotic Process Automation (RPA) is software that uses Artificial Intelligence and possesses machine learning capabilities to handle high-volume, high recurring and repeatable tasks. This method replaces human force which means that the tasks that are performed manually can be completed via Robotic Process Automation with much more efficiency and credibility. The interesting thing about this is that it mimics our way of execution of tasks by capturing and interpreting existing applications, manipulating data, triggering communications with other systems and so on via existing user interfaces. Robotics can include in and hence competitiveness of the organization against other businesses, as they have more freed up human manpower for more complex tasks, as well as access to more accurate reports, all which can contribute to the development of business. Robotic Process Automation (RPA) can be most effectively utilized in such Accounting and Finance processes as:

- Operational accounting like billing and collections, accounts receivable etc.
- General accounting like allocations and adjustments, journal entry processing, reconciliations, intercompany transactions etc.
- Financial and external reporting
- Planning, budgeting and forecasting
- Treasury processes

Why to go for Robotic Process Automation (RPA)?

Today it is impossible to even think of a world without the internet connection because of the social media networking and other important software applications have become more essential in daily life. The next phase of our development is definitely Robotic Process Automation (RPA) and businesses, accounting professionals and users of accounting information should prepare themselves rather, it is better to say acquaint themselves for Robotic Process Automation (RPA) as, Robotic accounting processes use artificial intelligence to help handle large number of repetitive tasks Robotic accounting processes will not only help in efficient learning and processing of data patterns, but also have a lot of performance benefits for businesses. Businesses should go for this cutting-edge technology as it would provide them

- **Better Performance:** Robotic Process Automation (RPA)'s performance is definitely better than an accountant as it has the ability to do fast and error free tasks in minimal time.
- **Faster Business Processes:** Robotic Process Automation considering the performance features, Robotic Process Automation in accounting and finance does help in fastening the business processes as it would enable users to access information from anywhere.
- **Better Productivity:** Robotic Process Automation (RPA) works 24/7 to cater customers and allows for much better customer care and services so there is no working time limitation.
- **Reduction in Costs:** Robotic Process Automation (RPA) significantly reduces the cost of manual labour by automation of repetitive processes and eliminates the need for back office resources and also reduces the cost associated with delay caused by the bureaucratic setups in an organization.
- **Inspirational Future:** Robotic Process Automation (RPA) minimizes drawbacks related to inefficient and manual-intensive interfaces of old systems. Robotic Process Automation (RPA) has the ability to better future, because of relatively short implementation timelines and low maintenance costs.
- **Reduced Process Costs:** Some businesses find that handing over tedious, repetitive tasks to robotic automation can reduce over business costs, mainly in the form of reduced payroll
- **Reduced Task Completion Time:** Robotics in accounts payable and other areas of finance can help bring down the time of task performance significantly
- **Reduced Error:** Automation in finance and accounting can increase output quality by reducing or eliminating human error. Robotic process automation minimizes errors, while saving human employees the effort to do data entry. Anyone who has ever worked in accounting knows that the effects of errors can be devastating, but also that it's quasi-impossible to avoid them when you have to spend never ending hours entering data. From invoicing to accounts receivable, Robotic Process Automation can speed up the process, keep it error clean and consequently keep customers happy.

- **Carry the Repetitive Burden of Financial Planning:** Burden refers to putting together numerous financial statements from various departments, in order to maintain a crystal-clear picture of the current state of affairs and of the desired target. Employees can then deal with the complex reasoning processes in organizing a sequence of timely task, while leaving the software bots to process and merge the statements.
- **Promote Better Investment Options:** Robotic process automations are better able to track investment values, despite the possibility of suddenly changes. Bots can assess an investor's portfolio and minimize the inherent risk of investing options. Robotic process automation tools also can serve as financial advisors without the prohibitive costs of their human counterparts
- **More Control:** Some businesses enjoy automating certain processes because it allows for them to have greater quality over certain aspects, a better understanding of procedures, and faster reporting. Prevention of money laundering is a top priority for any organization in the finance industry. Robotic process automation can make a significant contribution to assisting companies' compliance with the laws. Software robots use particular validation rules to check customers' personal information and removal of discrepancies
- **Ensures Consistency between Bank Systems and Treasury Systems:** An important benefit brought by robotic process automation in finance is that it can format bank data, such that treasury systems can generate reports. Robotic process automation can circulate the reports of treasury systems to employees, and thus contribute to communicating balances to employees.

How to Choose Robotic Process Automation (RPA)

Robotic Process Automation (RPA) Technology can be implemented using a lot of tools. Some of the top tools available in the market are:

- Blue Prism
- Automation Anywhere
- UiPath
- Work Fusion
- Pega Systems

As there are plenty to choose from so it becomes a daunting task to choose what is the right. Robotic Process Automation (RPA), the business houses should decide your objects are and should ask themselves the following questions so that it would help them to choose best for them

- What would be suitable processes for automate?
- Who will handle the initial automation?
- Who will manage and monitor it on running manner?
- How would automation support your business system?
- When would it make sense to implement of robotic automation?

After the analysis the value and benefits of using Robotic Process Automation in one can establish a timeline and begin understanding the long-term impact and effects on your business and select the best suits for the business.

Application of Robotic Process Automation (RPA) the Field of Accounting and Finance

Robotic Process Automation (RPA) is the next gen or a step ahead in automation of accounting processes which begin late 80s and early 90s, 20th century since accounting software and ERP systems arrived at the scene. As a result, today, there is about an 80% automation rate for common processes like AP/AR; for lesser processes, the rate is around 50%. Next, CFOs aggressively outsourced as many unautomated processes as possible. The impact? Finance & accounting contracts rank in the top five BPO services by revenue. With the RPA's coming to picture one as the accounting and finance professionals can hope for acceleration in automation rate due to its following applications:

- **Customers Order Processing:** E-commerce transactions data entry processes can be handed over to the Robotic Process Automation solutions as the whole process of order placement will be automated from end to end. Customers order processing can be maintained better than having any manual errors that could be caused out of misunderstandings.
- **Transferring Accounting and Finance Information from One System to Another System:** Transfer of accounting and finance, data, would help users of accounting information from one system to another system process can be fully automated with the Robotic Process Automation

solutions by providing them with the required credentials, source and destination details for the whole task and monitoring to be automated.

- **Operational Accounting:** Robotic Accounting with the use of RPA's will make accounting and finance operations like billing processes., payment records, maintaining record of the receivables, etc., quicker, and easier
- **General Accounting:** Robotic Accounting with the use of RPA's can also be used to perform general accounting tasks like allocations and adjustments, journal entry processing, reconciliations, inter-company transactions etc. to make general accounting work easier, cheaper and speedier.
- **Financial and External Reporting:** Robotic Accounting with the use of RPA's can be used in preparing reports and transferring them to stakeholders or the users of accounting information is with the help of just a button
- **Treasury and Cash Management Process:** Robotic Accounting with the use of RPA's can also be applied for treasury and cash management processes as they come with a better and more trustworthy security mechanisms which would help hassle-free running of these functions Robotic Accounting. When applied to the field of treasury and cash management processes will make administering to the financial assets and holdings of a business easy than ever before.
- **Planning, Budgeting and Forecasting:** Robotic accounting will make planning, forecasting functions easy and also make them less time consuming.

Conclusion

In a nutshell, it can be said that, Robotic Accounting is the future of accounting and would change the face of accounting and finance profession. Robotic Accounting with the help of RPA's will make primary duty of accounting that is information dissemination and generation, quicker than ever before. However The benefits of robotics processes in business vary from place to place, but many organizations that have implemented RPA in accounting have found it has led to faster results and more accurate data and accountants and financial professionals should master is cutting-edge technology in order to survive. Though Robotic Accounting's technology is in infancy stage, but still it is gazing eyeballs world over, and is soon to become talk of the town.

References

- ❖ Håkan Håkansson, Kalle Kraus, Johnny Lind, 'Accounting in Networks' 2010, Routledge.
- ❖ Lois R. Plank, Morris Donald, Bryan Plank, Christie Plank Ciraulo, 'Accounting Desk Book: The Accountant's Everyday Instant Answer Book'2006, Toolkit Media Group.
- ❖ www.accelirate.com
- ❖ www.edureka.com
- ❖ www.ey.com
- ❖ www.uipath.com

