ROBOTIC ACCOUNTING : A NEED OF NEW ACCOUNTING WORLD

Dr. Mangu Ram*

Introduction

"Slow and Steady Wins the race"This proverb has lost its relevance in the present time, especially in the field of business where it has been replaced by the slogan "The faster it is the better it is". At present, availability of information, its receipt and its broadcasting have a huge impact on the fortunes of the business.Therefore, it has become inevitable for accounting professionals to develop new advanced means for information dissemination and production, to meet the requirements of the present times. In the present time, failing to provide accounting information to their stakeholders in a time-bound manner can be construed as leaving opportunities out of hand.

Robotic Accounting and Artificial Intelligence is a revolutionary concept and is expected to grow beyond human comprehensive abilities. Artificial Intelligence has relevance in the field of Accounting, Finance, Medical, Project Management, Industry, Banking, Education,Manufacturing, and beyond that also. Robotics andArtificial Intelligencehave displayed their ability to alter the spectrum of each of these sectors despite receiving, resistance like any other change from those who are affected as well as the ones who are expected to get affected by these revolutionary techniques. On the faceof it, it doesn't seem all that hunky-dory for Robotic Accounting and Artificial Intelligence (AI)as they are seen as a probable threat to human existence in varied business tasks. This fear-mongering finds substance from the fact that Robotic Accounting and Artificial Intelligence (AI) has been able to challenge human existence for a variety of tasks but one should rest assure oneself that itshall never be enough to replace the human aspects that are beyond intelligence. Jack Ma, the founder of Alibaba warned the audience at the World Economic Forum, 2018 (Davos) that AI and the big data were a threat to humans and would disable people instead of empowering them.

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

A study by Ernst & Young and Nasscom also predicted that by 2022, around 46% of the workforce will be deployed in jobs that have radically changed skill sets. In 2020 due to pandemic COVID, –19 progress of this field has declined but near future, it is going to bounce back & that too with greater pace.

In 21st century field of accounting new aspects are emerging and are taking pole positionmaking old practices almost irrelevant. Cloud accounting is also one of the new emerging aspects which taking centre stage in the global arena. In cloud accounting, all the data is stored in the cloud i.e.no data is stored on the hard disk of a desktop through the local software, due to which it becomes possibleto perform the task of accounting anywhere, anytime with the help of internet.

Robotic accounting can be defined as the use of automation applications to application of human mind for best results and reduce human labour for the accounting of financialtransactions. Robotic accounting requires automation applications known as Robotic Automation Process(RPA).The Robotic Automation Process (RPA) is a software that uses artificial intelligence and also controls the information that is used again. This process replaces human labour, that is, all the work that is done by human labour, now all those tasks are done with greater reliability and a higher level of efficiency in the robotic automation process.

The Robotic Accounting attempts to replace or minimise the use of human labour. That is why it becomes necessary for accounting professionals to study the methods and systems currently in use and improve their skills as per the requirements of the users of accounting information.

The use of a robotic automation process has given users access to quick and more accurate reports with least human labour, contributing to the growth of the business in a big way. Complex tasks of accounting and finance,e. g.

1. Operational accounting such as billing and collection etc.
2. General accounting such as allocation and adjustment, journal entry processing, reconciliation, intercompany transactions etc.
3. Financial and external reporting
4. Planning, budgeting and forecasting.
5. Treasury procedures etc.can easily be done by robotic automation process that too with 100% precisionwhich has resulted from institutions' reliance on human labour getting being reduced.

Why should the robotic automation process be used in accounting?

In the present era, due to social media networking and other software applications, it is impossible to imagine a world where the Internet is not used because the Internet has become an important part of our everyday life. Certainly, the next stage of our development is the robot automation process. AccountingProfessionals and users of accounting information should prepare themselves mentally for this. Robotic accounting processes use artificial intelligence to handle a large number of iterative tasks. Robotic accounting processes not only assist in data processing but also open the door to new opportunities for the future for the business.

In Robotic Accounting, RPA uses artificial intelligence to help handle a huge number of repetitive tasks. It allows for efficient learning and processing of data patterns, which can have a lot of performance benefits for businesses, some of which are enumerated as:

1. **Better Performance** - Robotic Process Automation (RPA) performance is definitely better than accounting done with the help human effort or labour because it has the ability to perform fast and flawless tasks in minimum time.

2. **Faster Business Processes** - The robotic automation process minimizes human interference in business processes in the field of accounting and finance, resulting in faster business processes.

3. **Bette Productivity** - Robotic Process Automation (RPA) works 24x7 for customers. Provides better services for the convenience of the customers, without any time limit in the field.

4. **Cost Reduction** - Robotic automation reduces the cost by automating process iterative actions and also eliminates the need for institutions like subsidiary offices, as well as the costs arising from delays from bureaucratic arrangements.

5. **Inspiring future** - Robotic automation process minimizes inefficiencies associated with inefficient and human-intensive interfaces of older systems. Relatively low implementation timeframe and low maintenance costthe future of robotic accounting looks bright.

6. **Reduced process costs** - Labour costs, such as salaries and wages, are reduced by the completion of difficult and replenishing tasks through a robotic automation process.

7. **Reduced performance time** - Robotic accounting in accounts payable and other areas of finance makes a significant reduction in performance time by using robotic automation process.

8. **Reduction of errors** - Automation in finance and accounting can increase production quality by reducing or eliminating human errors. Robotic automation minimizes process errors, saving employees' labour of data entry. Anyone who has worked in the field of accounting knows that the effects of errors can be devastating, and they will also agree with the fact that it is almost impossible to avoid errors.One may sometimes need hours to enter data still can't guaranty error-free accounting. Robotic accounting can speed up the accounting process and make them error-free by using the robotic automation process, resulting in keeping customers and users of accounting and financial information happy.

9. **Reducing repetitive burden in financial planning** - For financial planning, collecting financial information from different departments and preparing various financial statements from them, then preparing a shared financial statement from them is a cumbersome and tedious task. With the help of Robotic Automation Process, robotic accounting reduces the repetition of financial planning related tasks i.e. with RPA's in place; employees don't have to engage themselves again & again in the processing of data, creation of shared financial statements etc. this results in accelerated financial planning. At the same time, it helps in maintaining clarity in the goals of various departments.

10. **Promoting better investment options** - Robotic automation processes are able to monitor investment values despite the possibility of sudden changes. Robots can assess an investor's portfolio and reduce the risk inherent in investment options. Robotic process automation tools can act as financial advisors without the prohibitive cost of their human counterparts.

11. **More control** - Many businesses enjoy automating some of their processes as it helps them to have of greater quality, a better understanding of processes and faster reporting. Prevention of money laundering is a top priority for any organization in the finance industry. Robotic accounting can significantly contribute to helping companies comply with the robotic automation process. Robots use specialized software and verification techniques to store customers' personal information and remove discrepancies which help to establish better control.

12. **Ensuring stability between the banking system and treasury system** - Through robotic automation process in the financial sector, an important advantage provided by robotic accounting is that it can disseminate, process & store bank-related data in such a way that the treasury system can generate reports easily. The reports generated by the treasury system can rapidly be transmitted with the use of the robotic automation process, allowing them to report their outstanding balances.

13. **Virtual System** – Data can move between unequal and legacy systems via robotic process automation systems by connecting them at the user interface level.

14. **Data validation and Auditing** – Robotic Automation Process resolve and cross verify data between varioussystems to validate and check information to provide compliance and auditing results and Goods and Services Tax system can also be treated as a good example of data validation and auditing.The use of robotics accounting processes in business vary from place to place, but many organisations that have implemented RPA in accounting and finance have found it phenomenal as it ledthem to faster results and more accurate information.

How to choose a robotic automation process for robotic accounting?
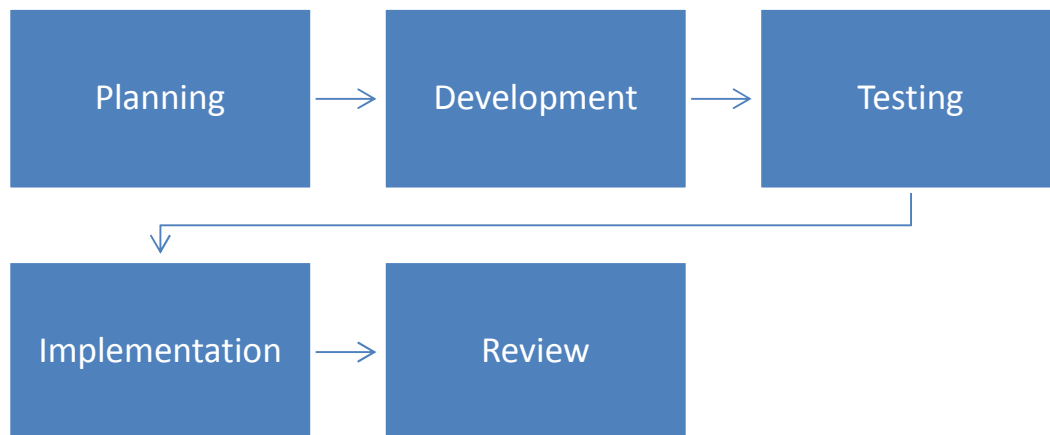
Robotic process automation can be implemented using a variety of devices. There are many type of tools available for this process in the market, such as: -

Blue prism
Automation Anywhere
UI Path
Work fusion
Pega System

As there are many options available for selection, it has become difficult to choose what is best. Business organizations must consider the following points while choosing the robotic automation process: -

Who will handle the initial automation?
Who will monitor and manage the way it is run?
How will automation support its own trading system?
What would be the appropriate time to implement robotic automation?
What will be the impact of robotic automation on costs?

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RPA Implementation Process

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│                 │     │                 │     │                 │
│    Planning     │ ──▶ │   Development   │ ──▶ │     Testing     │
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┌─────────────────┐     ┌─────────────────┐
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│ Implementation  │ ──▶ │     Review      │
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I Planning -

The most important aspect is planning to implement a process in any business, at this stage, the company must identify the processes it wants to automate. The following steps will help the business organization to identify the process it should automate.

Business process manual and repetitive

Business process is rule-based

Business input data is in electronic format and is readable

Company's existing system be used as it is with no change

Next, steps in planning stages are -

The company should set up a project team, finalize implementation timelines and approach.

The company should agree on solution design for performing RPA processes.

The company should identify a logging mechanism that should be implemented to find issues with running bots.

The company should clear roadmap should be defined to scale up RPA implementation.

II Development -

In the second phase of development, the company started developing the automation workflows as per the pre-determined plan and continue support to roadmap of RPA.

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III Testing –

In the third stage of testing of RPA, a company run testing cycles for in-scope automation, to identify and correct defects. If any doubt and drawback in testing system, company must rectify that system before taking next step.

IV Implementation–

In this stage, the business organizationimplements the RPA process which is customise to cater its need. This is the stage where the RPA's are open for use for all the desired users.

V Review

At the review stage, the business organization should review all of the RPA process for security purposes and find any lacuna in the RPA system, which is immediately correct for that lacuna. The company should be mindful of the up-to-date system in the competition network, so the business organization can compete with other similar organizations.

Robotics automation should be implemented in a phased manner only after thoroughly analysing the said points and the benefits of robotic automation. It can be applied in a certain time frame by analysis, as well as understanding the effects on the business in the long run so that one implementing it can easily figure out what is the best for their business

Scope of RPA in Accounting and Finance

Robotic Process Automation drives the automation of accounting processes a step further or towards a new generation of automation. Automation in accounting processes began in the late twentieth century to the late 80s and early 90s when software systems such as Tally ERP emerged, resulting today automation rate is about 80 percent of common processes like AP / AR and for those less common processes, this rate is about 50 percent.Today's Chief Finance Officer (CFO) is aggressively moving towards automation of accounting and finance sector processes due to the benefits from low usage of automation in accounting processes and finance services. Even if automation is not possible in their own offices, they are not averse to outsourcing it. Robotic process automation nowadays is used in/or can be used in

1. **Customers orderProcessing**- Orders placed on websites of e-commerce may then have to be placed on the actual repositories for the actual dispatch and also to maintain the inventory recordings different than the customer-facing orders. E-

commerce transaction data entry processes can be assigned to robotic automation process solutions, which will automate the entire process of order placement. It can be rendered better by removing human errors caused by any misunderstanding or any other reason.

2. **Transfer of Information related to accounting and finance from one system to another**- Robotic Process Automation helps in automating, the process of transferring information from one system to another to provide accounting and finance information to users of information.The solution can be made fully secured by making it necessary to provide the necessary credentials, source and destination details, and automated monitoring for the entire task.

3. **Operation of Accounting** - Robotic automation process is being used for the operationof accounting and finance sector, operational processsuch as: - billing processes, payment records, maintaining records of receipts and so on.

4. **General Accounting** - Robotic automation process can be used by robotic accounting to perform common accounting tasks like allocation and adjustment, journal entry processing, matching, inter-company transactions etc. to make them easier, cheaper and faster.

5. **Internal and external reporting** - Robotic accounting can be used to generate reports and transfer them to stakeholders or both Internal and external users of accounting information using a robotic automation process, with the help of a single button.

6. **Treasury and Cash Management Process** - Robotic accounting can also be used for treasury and cash management processes by using robotic automation process as they come with a better and more reliable security mechanism, which makes these tasks hassle-free. Whenrobotic automation processes are used in the field of treasury and cash management processes, will help in the administration and holdings of financial assets of a business much easier than ever before. Robotic accounting is used in planning, budgeting and forecasting work, so these tasks can be completed easily and in a short time.

7. **Payroll Processing**: Processing of Payroll is a good example that needs manual intervention month after month or every year. An RPA system can be used instead to extract the details that are required from hand-written timesheets and calculate the pay from their stipulated CTC's and pay them as well.

8. **Generating of Insurance Premium Renewals**: Insurance companies have to provide premium receipts for insurance renewal, when premium renewal is paid

offline or online. These online or offline premium renewals for every premium paid for every insurance policy can be completed through an RPA solution that can do this work without any manual intervention 24 x 7.

9. **Processing of Insurance Claims**: Insurance companies have to process insurance claims that are raised against insured members for an initial process to trigger processing of claims in their system and which also forms the paper-based proof that can be saved for further use in investigations. Processes as like these can be automated such that the forms can be read by robotic process automationsystem and then the manual data entry to the applications where these insurance claims are processed can be done by the robotic process automationsystem.

10. **Promotion for better investment options** – In robotic accounting, robotic process automation is preferable for tracking the investment process, despite the potential for quick changes. The RPA system can assess an investor's portfolio and reduce the risk inherent to investment options. RPA system tools can also serve as financial advisors without the prohibitive costs of their human counterparts.

11. **Support against money laundering** –RPA system can prevent money laundering which is a top priority for any nation in the accounting and finance sector. RPA system uses particular validation rules to check customers' personal information and removal of discrepancies. Robotic process automation can make a significant contribution in assisting companies' in compliance with the laws which would be useful in lending support against money laundering.

12. **Overdraft protection Requests**: Banking and non-banking companies can handle the overdrafts and loan accounts of individuals and also institutions. Banks can define specific set rules on how these requests can be classified and how manual intervention can be minimized. Once a good and fair picture is decided upon, then the responsibility of handling all the incoming overdraft requests of individuals and organizations can be safely handed over to the RPA system.

13. **Application of Credit cards**: Banks are using the RPA system to take full responsibility for launching credit card applications. The RPA system is used to collect all the necessary documents from individuals, required credit checks, background checks, deciding whether a person is eligible for a credit card based

on the details provided, issuing a new credit Card if it is eligible and ensures that successful delivery of credit card and card can be blocked in case of card theft or misuse.

14. **Shipping notifications**: Logistics Companies and e-Commerce websites are getting benefits from this automated process system as these kinds of activities are fully automated without the intervention of any human being at all. Since these details can be fetched from the provider databases and the shipments can be tracked for delivery over GPS or other latest technology, this can comfortably be automated.

15. **Closing of Fraudulent Account**: Accounts about banks, organizations, applications, services – all of these need robotic process automation based software to take up monitoring for good and positive usage that goes suspicious ought to be reported. Doing process which is going through logs on a continuous basismanually is not a viable option for an individual or better to say RPA is the best option for this.

16. **Processing of Customer complaints**: The complaint of customers can be registered against a present set of issues and each of the newer issues that get raised can be categorized into these issue categories by the RPA based system. Based on each of these categories, there can be possible solutions that can be suggested to the customers right away. Doing so, customer complaints can be answered 24 x 7 positively without any human intervention.

At conclusion point, it can be said that the future of accounting subject is robotic accounting which will change the appearance of the accounting and finance profession. Robotic accounting with the help of robotic automation process will make the primary duty of accounting, production and dissemination of information faster than ever. However the use or benefits of robotic accounting processes, may vary by the place, by region, by business varies may vary, Butit can be said that after the implementation of robotic automation processes in accounting field have found that accounting data and results have been more accurate and significantly faster.After implementing this Accountants and financial professionals must master this cutting-edge technology if they want to stay in business.

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