

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

automation to the tax function. Yet the subtle differences as to how they function may determine whether or not true automation is achieved. RPAs are not hands-free automation...

May. 10, 2018

As firms look for increased efficiencies and process improvements to their accounting and tax functions, buzzwords like “robotic process automation” (RPA), and “application programming interface” (API) have found their way into the conversation. RPA in particular has become quite popular as a proposed solution for the time-consuming, manual, and repetitive nature of fixed assets management, but APIs, although not new, also have many favorable characteristics when it comes to fixed assets management. For those not fully versed in both solutions, the question becomes — what form of automation is best for my firm?

Defining Robotic Process Automation

The Institute for Robotic Process Automation and Artificial Intelligence defines Robotic Process Automation as: “the application of technology that allows employees in a company to configure computer software or a ‘robot’ to capture and interpret existing applications for processing a transaction, manipulating data, triggering responses, and communicating with other digital systems.”

RPA is not a humanoid robot that will replace all human workers. The term “robot” as used in this context may be better termed a “bot.” A bot is a software application that once directed can repeat automated tasks. Bots interact with software applications the way humans do, using the same interfaces to complete specific tasks. Imagine, if while performing a repetitive task you created a video of your screen and were able to run the steps back in a continuous loop until the job was complete — that is essentially what a bot does.

The value of bots comes from their speed and accuracy. They can perform the same

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

As companies look to streamline operations and minimize data errors, robotic processes are taking center stage. By automating routine, manual tasks, companies can foster greater employee satisfaction by reassigning staff to more fulfilling, strategic roles.

A few reasons why companies look to RPA for tax automation are that it is:

- Cost-effective when compared to outsourcing or hiring temporary, part-time, or full-time workers
- Efficiently working at machine speed behind the scenes, either automatically or when manually tasked
- Capable of handling much larger volumes of work than a person and of 24/7 operation

Challenges of RPA

RPA is a great way to drive toward automation, but it's not without its drawbacks. As with any business initiative it will be important to weigh the benefits against the costs. Some of the challenges you may face when implementing RPA are:

- Expenditure to acquire and create each bot.
- High degree of maintenance required after implementation.
- Dependencies associated with changes to the user interface — the bot will need to be reprogrammed to perform tasks correctly.
- Human intervention required to ensure bots remain technically sound.

While there is no question that bots can help reduce manual work – their use is certainly not hands-free automation. The level of maintenance and human intervention is definitely a consideration.

Leveraging APIs to Perform Tax Automation

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Just as RPA bots can automate repeatable tasks, so can APIs, many times for less money and greater reliability. Optionally, human oversight with full audit trail can be built into the automated API process. By leveraging web services, many of the labor-intensive and data-heavy tasks required by fixed assets management can be reduced or entirely eliminated from a team's to-do list.

Here are five key areas within fixed assets management where APIs may be more beneficial than RPA:

1. **Business rules** — capture and automate manual processes so rules can be consistently applied to data and transactions in support of specific workflows. Staff gains visibility into processes, allowing timely turnaround during compliance and provision deadlines.
2. **Data transformation** — eliminates the need to capture and rekey data for use in multiple applications. APIs allow data from various sources to be combined, separated, manipulated, and/or merged for more streamlined, accurate data analytics, and reporting.
3. **Data transfers** — eliminate the need to check accuracy and reliability when transferring data across applications. Automated data exchanges can be set up with checks and balances to ensure quality and integrity.
4. **File imports and exports** — automate time-consuming steps required in the fixed assets administrative process to manually import and export data files.
5. **Reporting** — improves accuracy by turning incomplete data into usable, automatically generated reports and analysis.

The Future is Now

Robotic Process Automation and APIs are both excellent tools for bringing automation to the tax function. Yet the subtle differences as to how they function may determine whether or not true automation is achieved. RPAs are not hands-free

automation; they require oversight, making maintenance and level of human

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Ryan Sheehan, CPA is Product Manager for [Bloomberg Tax Technology](#).

Accounting • Artificial Intelligence • Auditing • Technology

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved