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5 Blockchain Tips for Accounting Firms

By Isaac M. O'Bannon, Managing Editor

There has been a lot of talk about how blockchain technology will disrupt the role of accounting as we know it today. In truth, disruption has already been happening through automated accounting software and other applications that help accounting firms process data faster, run their businesses and advise their clients.

As part of the [BKR International](#) Americas Region Meeting in May, members will discuss ways for “driving change and innovation” rather than reacting or running from it. They suggest five ways that accounting firms should think about how to leverage blockchain technology as a driver of firm growth.

1. Validate it.

“The auditor’s job in its truest sense is to attest to the value, accuracy and reliability of data. With this in mind, an audit practice can view blockchain as part of the solution in a new world that will require such validation,” says BKR Americas Region Chair, Karen Brenneman, who is also managing partner of Hall, Kistler & Company in Canton, Ohio. Although blockchain provides for secure transactions and identifies and validates the owners of each block in the chain, auditors will be needed to validate that the systems that surround these transactions are reliable. For example, a real estate company that employs a private blockchain solution to validate property ownership may need an auditor to verify to regulators that the company’s blockchain has operated as expected or authorized.

2. Recommend it.

With dozens of open source blockchain platforms already available as well as the ability for companies to create private blockchains, clients of accounting firms will

look to their advisors to help them select the right solution. “CPAs are among

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retention, contracts and more,” says Brenneman. Imagine the ability to process payroll through which each employee has his or her own identifiable block that is private and secure for receiving their salaries or to select changes to their payroll elections. The same goes for submitting an invoice to a client through a singular and identifiable block, unique to that client, to ensure secure private data and payments. The client's own blockchain may then validate the invoice and allow processing of the transaction seamlessly.

4. Create it.

Just as accounting firms look for new forms of consulting and business advisory services, they can consider blockchain as part of new niche practice services that develop solutions for clients in different verticals. You may have your health care blockchain practice or your construction blockchain practice (with their own specialists and certifications). In fact, the [AICPA](#) is collaborating with nonprofit group, the Wall Street Blockchain Alliance to develop education for financial professionals right now.

5. Translate it.

Although blockchain technology allows for a transparent and accessible transactions database for key business partners and regulatory bodies, it will likely require professionals to translate the data into meaningful key points for business decisions or legislation. “Just as accountants analyze and translate financial data or tax law into actionable business steps today, I believe that this technology will also need its analysts and communicators who can help clients and government leaders make the best decisions,” Schwartz says.

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