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# BLOCKCHAIN

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

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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 business owners' most trusted advisors," notes Maureen Schwartz, executive director of BKR International Americas. "Those who take time to learn all they can about emerging technologies like blockchain can guide their clients through this evolution in the coming years."

## **3. Use it.**

"Rather than viewing blockchain as a competitor with accounting firms, it may become as normal as the Internet with uses for payroll, accounts receivable, record 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

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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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