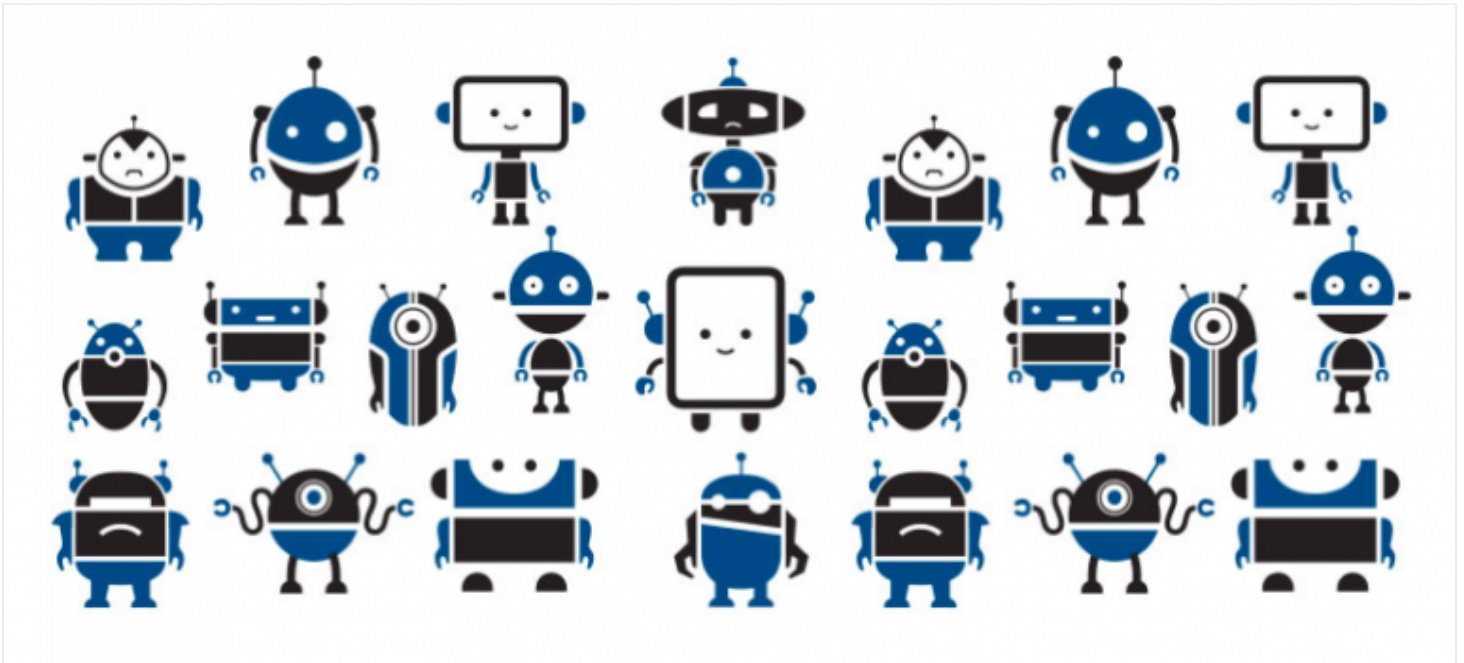


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accounting firms. In proactive firms, the future is already here.

Jim Boomer • Dec. 17, 2018



In firms across the country, managing partners are returning from national conferences and other professional events and asking, “Why don’t we have a bot?” But what exactly does having a bot mean for an accounting firm? And what should firms be doing?

When we talk about AI, the image that comes to mind for most people is robots doing many of the jobs we’re doing today. But AI is not just a futuristic vision for accounting firms. In proactive firms, the future is already here.

Robotic process automation (RPA) is the use of a software robot or “bot” that replicates the actions of a human to execute tasks across multiple computer systems. A bot operates just like a human would: extracting information from various applications, manipulating and reconciling data, performing calculations, completing forms and communicating with other systems. Think of it as an assistant

that can take over time-consuming and tedious tasks. The primary difference

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Bots in audit analytics

Using traditional methods, it's neither practical nor feasible for auditors to examine every transaction included in an entity's financial statements each year. Instead, auditors sample transactions and make assumptions based on what they find. These methods can fail spectacularly if the wrong sample is selected or irregularity is missed, leaving both the client and their accounting firm exposed to the risk that fraud or errors exist but were not identified.

With AI, that risk is no longer necessary. A bot can quickly and accurately examine every transaction and focus the auditor's attention on areas where the potential issues might be.

Bots in tax

In 2017, EY announced it has already implemented over **250+ bots** in the firm's tax practice and planned to be at 500+ by the end of the year. The bots are used to gather and process data needed to complete returns. The firm estimated they'd freed up 1,300,000 annual hours of capacity and realized a return on their investment in just six to nine months.

PwC is also taking advantage of bots to streamline income tax provision calculations. Its report *Robotic Process Automation (RPA) – What Tax Needs to Know Now* explains how RPA improved the income tax provision calculation and reporting process for a client with more than 100 legal entities using various financial systems. The client previously calculated the provision on spreadsheets extracted from the various financial systems, so gathering and reconciling data was a manual and time-consuming process.

Now, the firm uses bots to pull raw information from ERP systems, clean up and

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already AI-powered systems that can streamline invoice processing, vet and onboard new suppliers, categorize and post transactions from a number of sources and reconcile it, review and approve expenses and read receipts. Accenture predicts that bots will automate or eliminate up to **40% of transactional accounting work** by 2020.

Bots in customer service

Chatbots are being used to efficiently respond to common questions or queries from clients, including providing account balances, when invoices are due, the status of their account and more.

Bots in admin

Bots can automate administrative tasks that are prone to human error, including HR onboarding, accounts payable invoicing, report generation and distribution, inbound lead processing, data and web retrieval and more.

In almost every case, the tasks being handled by bots are not the value-added services that accountants love performing. It's the type of work that had traditionally tied accountants to their desks, staring at a computer. It's process-type work that, when handled by technology, can free you up to help your clients with more complicated planning and decision making. Plus, bots work 24/7, don't take vacations and don't get burnt out on doing the same tedious steps over and over again.

If you're ready to test the waters, here's a look at how to begin implementing bot technology in your firm.

1. **Recognize the opportunity.** Don't fear bots making your job obsolete. Instead, consider how they can benefit your practice and expand your capabilities. Your

expertise is more important than ever before.

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It's time to stop thinking about working 'on' machines but rather working with them – integrating them into our workflows to provide higher quality, more efficient and cost-effective compliance services and exceptional client service. Instead of spending a lot of time wrangling data and performing routine tasks, the highly educated professionals in your firm will focus more on adding value, providing insightful advice and building relationships with clients.

We haven't yet seen the one tool or event that will officially disrupt the way accounting firms work, but new and innovative tools are popping up every day. It's up to us to try them out until they become the standard. The firms that wait for disruption to propel them forward will fall too far behind to catch up.

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