

Technology & Accounting Profession— Need for ‘Cost as well as Quality-effective’ Outlook

Today, technology plays a pivotal role in our Chartered Accountancy profession. The fraternity requires the ‘Technology Tool’ irrespective of whether they are in practice or in the industry. Technology mainly helps in effectiveness and economy at work and helps maintain consistency and standardisation which is the need of the hour today. This article enumerates the importance of technology to the Chartered Accountancy fraternity and stresses on cost effective technology. The article further brings out the ‘Technology vs Cost’ equation and the need for a ‘made to suit technology’ for each member in the fraternity. The author stresses that technology should be tailor made and match or stay at par with the nature of work undertaken else, the whole idea and effort becomes futile. Read on to know more...



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Introduction

Our Chartered Accountancy fraternity is all geared up to the technology invasion in our lives. What started as an innocuous web based filing, has today made Income Tax, Corporate law, RBI, GST and to some extent even NCLT filings an interaction through technology. The biggest question has been “Where do I start?”

Along with the changing new methods of working, it also would impact the fee and time sheets. Technology costs would need to be controlled. We would need to be ‘frugal’.

There is a clear signal that technology would assist us at work, but also there is a clear writing on the wall that tech costs in CA firms would mount. It could be the licensing fee, the

cyber security costs, the tools, the data analytics costs etc. All this would increase costs.

We would like to address this tech-based economics as *Frugal technology*. By mentioning that we must be frugal that does in no way bring poor technology to our door steps, we need to have the best, but it has to be cost effective.

Technology vs Cost

Whether it is a small business or a large enterprise with thousands of employees, your accounts departments are the most engaged departments throughout the year. Accounting processes keep getting complex with time and evolving taxation procedures keep accountants on their toes.



Information Technology

Technology should suit our nature of work. When a firm is doing tax practice alone, talking about data analytics would not make sense. When a firm is only using spread sheets and word documents, introducing BOT or AI would appear rocket size. Therefore, Tech has to match to the practice area of the firm and also the stage of technology the firm is in. Many firms could be early adapters, but many others could be late starters too. We have 4 generations of Chartered Accountants practising or working in the corporates in India and abroad today. There would be CAs from the age of 23 onwards,

who qualified at different times and technology is different for the spectrum, so choosing what is useful for you is important.

Most Chartered Accountancy firms, primarily work on the following areas

- Taxation – Both direct and indirect
- Audit – Both statutory and internal
- Corporate law – Compliances and litigative practice
- Accounting – Both domestic and international

If we must manage the traditional nature of profession as above, all of us face the same nature of problems. Let's have a look as below:

The below table could give you a bird's eye view of the technology that could be used by your firms. The idea of this table is to give FRUGAL technology and not what would cost the upper millions. Technology has to be affordable is the benchmark of this table. The cost and implementation time in this table is purely indicative and not sacrosanct.

Nature of tech	Brief description	Cost estimate	Time factor
Office management tools / documentation management tools – These could decide your formats, work allocation, time sheet, access control and document management.	It could be used in all the areas of practice – be it statutory audit, internal audit, taxation work, corporate law work or consulting.	These tools are mostly SAAS model, you should adapt what is available in the market. The cost could vary between ₹ 150 per user per month to ₹ 1,000 per user per month	A SME firm with 4 to 5 partners, with around 40 staff, could implement this in a period of 3 weeks
Data aggregator tools, which could collate data from many domains and present it in a format which could be used	For tax practioners doing individual or partnership firm tax compliance work.	These software's could cost between ₹ 500 to ₹ 1500 [per annum] per license for each client.	It could take 3 hours to set up for each client. Once set up, the client input information, trial balance draft and all the cards, bank analysis could be available in a pre-populated format in a few minutes
Presentation tools	These could be used in introductions, presentations, design element, and enhancing the quality of deliverable presentations	Websites could give you free QR codes, free design templates, free presentation decks. Certain vendor aggregator websites, or template websites, which could give higher quality work for a small fee. Certain template generator websites could cost around 1000 rupees P.A, and you could establish a tendering system for any paid work, where artists, tech experts could bid from across the world	Within a day

Nature of tech	Brief description	Cost estimate	Time factor
Document creation tools	There are board minutes, shareholders meetings, tax scrutiny submissions etc.	Many of these documents are repetitive in nature. Every time, fetching the directors name, address, DIN, PAN and creating an human interface error would be avoided. This could help in creating these documents in a few minutes, and increase accuracy by over 100%. These applications would be available within a cost of 2000 rupees per annum	It would take 3 to 4 days to update master data, and it is ready to go.
Accounting tools	No longer, accounting entries need to be passed.	There are AI based tools, which could read a bill, invoice, voucher and pass and accounting entry, including GST Input entry, with narration. The tool can be integrated to any accounting software and the entire data base of vouchers, invoices, bills, with authorisation can be ported to the accounting software. Per user per month cost of 1000 can be estimated.	It would take 3 to 4 days.
Dash Board Matrix	Internal audit reports, management reports are no longer just a dozier of word document or a power point presentation.	There are MIS dash board tools available in most operating system. These tools are interactive, for instance – you are doing the store audit of FMCG chain, and the tool can just give the reader flexibility to drill down and view. For example, a user can just choose “Bank reconciliation” of all the branches in India and only see that, or region wise.	To create the tool, you would need to invest a weeks time
Automated process and forms	Many office processes can be automated	These are simple self-tutored process. In most instances these are free. DIY approach is possible in these instances.	1 day's time

Information Technology

Nature of tech	Brief description	Cost estimate	Time factor
Interaction with clients	Clients interact with different personnel, specialised partners with advent of specialisation could be a concern area	Tools which can integrate all your client communication, including keep task lists, data exchange, allocation of work, building process of resolution, can be done in mobile or web based platforms – at present many would create client specific whatsapp groups – but a more advanced method of communication tools could be available at Rs. 500 per month per user	1 days time is required

The above are directives of usage, the exact websites, name of tools can be counted in hundreds. The author uses the below tools, and these are only an illustrative list. Please note the author is giving the name of these tools only to give you a direction, and in no means would support or rank any of these products. Please be informed that this is not a recommendation, it is only an example :

integration, and work allocation.

Certain examples of work flow which can be automated are articulated below :

- Templatised the practice – Audit programs, tax return steps, GST returns templates. This can be bucketed as 'compliance' rolls. All the compliance practice is driven by steps. Any office management

an immediate need to standardise the entire deliverables. For instance audit report formats, certificate disclaimers, limitation of reports format etc. The fonts of the entire firm, side headers, footers, page numbering, could be cosmetic in nature, but would require a standard presentation. Many a times it is common that the employees in a CA firm or article trainees would use their own concocted formats and that would be difficult. A documentation management tool will standardise all the formats and the user should stick to the format which the tool throws out on a pre-defined basis.

Nature of application	Name of the tool
Office, documentation management, and time sheet tools	Papilio
Data Aggregation tools	Perfios
Document creation tools	TAT Easy
Accounting tools	Fyle
Dash board Matrix	Power BI
Automated forms for office	Google forms
Interaction with clients	Flock or Slack

Where Can these Tools Be Used?

Use of Office, documentation management and the time share tools:

The entire office work flow process can be defined in these tools. The work flow process can be coupled with documentation

tool can be driven by steps or tasks. The user and doer would not be able to move to the next step, without completing the earlier tasks. This would bring in process in place.

- Standardisation of documents – There is

- Data only for authorised personnel – In the current scenario, most of the data is available in a network drive located in the physical premises and there is no segregation of files based on confidentiality. For instance, data of Client A, is

available in Client A folder in the drive. The same data is accessible by all members of the office. There is no audit trail, to identify, who has access to the files and who has no access. Client confidentiality is a legal obligation for CA firms. A documentation management system can help in clear demarcation of files and it would be made available only to the engagement team and not everyone in the office.

Templatise the practice
 – Audit programs, tax return steps, GST returns templates. This can be bucketed as ‘compliance’ rolls. All the compliance practice is driven by steps. Any office management tool can be driven by steps or tasks.

- Work tracker, employee tracker and worker status can be established in such a tool.
- Time sheets, performance review of client, consolidation of all services under a single platform for a client would enable better control and the practice unit can quote fee on a much informed basis.
- When a new team takes over the audit for the ensuing financial year, the client would not have to spend time explaining to the team, all the data would be

clear, indexed in the earlier year’s audit.

Use of Data Aggregation Tools

In cases of such CA firms who are in practice, taxation of firms, individuals, HUF is a core practice area. When one practice unit views the tasks involved in tax computation, major task would be accumulating data in the form of bank statements, credit card statements, Mutual fund statements, insurance statements and the like. These data accumulation often comes in sporadic mails and enough time is lost in repeated reminders and communication. That apart, it is never systematic.

These data aggregation tools should be linked to the client’s bank accounts, credit card accounts and the like. The tool itself culls out the data through technology. This disables the entire process of data collection and assimilation, which normally takes 30% of the time in the engagement.

That apart, there are many tools, which can read the data. Based on the AI reading, the tools convert the bank entries to excel format. This could give you a situation, where the entire excel of data is given to you, in a systematic manner. Now the practice unit can play a role of a professional in deciphering the data and preparing the computation statement.

The author feels through his personal experience in such cases, the time involved in such an engagement, gets reduced by 75% with a data aggregation tool. That apart, now the practice unit can concentrate on tax computation,

deadlines and discussions with client. Further, the deliverable can be well presented, which would have an impact on the revenue of the practice unit too.

Use of Document Creation Tools:

There are many documents like board of directors minutes, auditors report, shareholders minutes, directors report, partnership deeds, and many such documents that are often a word format, which is available with the practice unit.

An existing format is then tapered down to custom made document for a client. This legacy system of using word formats is bereft with many lacune. There could be errors in client names, DIN, address, cut and paste errors that often show data of another client in the format, which could arise out of human interface.

All these errors can be reduced in a document creation tool. In this tool, all routine documents can be generated. The tool would have the pre-defined format and the practice unit can do a one time exercise of updating the master data of the client. Thereafter, it would just be choosing the names, dates, directors’ names etc from the master data and the tool would generate the document in minutes.

Such tools save substantial time and improve accuracy. That apart, such tools standardise the formats, standardise the templates, so that the trainee or a less experienced associate does not make mistakes. The document can be generated in a fraction of the time spent than in the legacy system, which gives enough time for the user to

review and add professional value on the document.

Use of Accounting Tools:

There are many SAAS based AI tools which convert a photograph on the mobile, which is uploaded on the mobile application into an accounting entry. The AI tool allows the supervisor to approve the expense and then it is converted to an accounting entry with GST Inputs, TDS provisions and narrations.

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The Accountant is totally excused from the mundane data entry work and errors also reduce. That apart, the need for maintaining the physical files has got decimated, because the tool itself would have the invoice/bill, the e-authorisation, the audit trail, and the accounting entry. The data will integrate in a seamless manner and the entire accounting is automated.

This could be used in cases where the practice unit is rendering accounting services and not attest function.

Use of Dashboard Matrix

The days of giving reams of paper for internal audit report or the days of preparing decks have gone. Today the client is requiring more interactive tools. The client would like to get his own analysis of several aspects in the report. It is quite clear such presentations cannot be used in case of nice reports, but in most cases, it is useful for branch audits, audits which are in the similar nature of business, or in case of many POS units etc.

The advantage of these presentations in an excel can be a pre-determined method of data capture, which would get seamlessly intergrated into the reporting tool like Power BI.

The article trainee can complete his stock take, asset count, TDS verification, PT verifications, GST etc., and just key in the predefined fields in the excel spread sheet, which would get eventually pulled in the dashboard and a client views the same.

This reduces working papers, reporting time and gives so much of a higher quality report, this enhances reporting methodology.

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Automated forms for Office

Simple forms which are available in google or Microsoft could determine our recruitment, hiring, induction, office surveys, performance management, exit interviews in a predefined format.

Many areas, where members are required, client surveys are involved etc can be automated.

This would make data collection, opinions, judgements etc much easier and faster.

Use of Interactive Tools

When a practice unit does many services like taxation, accounting, compliances, corporate governance etc, the client in most instances would interact with different teams, different partners. This would give rise to a whole confusion of too many people interacting with the clients which would add confusion when there is attrition.

To avoid this, communication tools will make data movement easier, audit trail is established, communication is faster and there is a working paper trail also.

As a profession, we have to go towards AI, data analytics and more powerful tools, yet, this article is written to such readers who want to start a journey somewhere.

The reader is also advised to rate himself in the DCMM model, developed by ICAI. DCMM stands for Digital Competency Maturity Model, this would help you rate your firm or practice unit with reference to technology. ■