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## Big Data Required Updated System and Software

*Nurafiqah Mohd Rodzi, Saflina Azis & Mustafa Kamal Mat*

### Introduction

Big data has completely transformed the accounting industry, bringing exciting opportunities and new challenges. As financial data grows rapidly in size, complexity, and speed, businesses are under increasing pressure to manage and analyze information more effectively. Staying competitive isn't just about keeping up; it's about making more intelligent, data-driven decisions. Outdated systems and manual processes can lead to inefficiencies, security risks, and compliance issues. To succeed, businesses must embrace modern technology, automate workflows, and invest in skilled professionals who can navigate the ever-evolving world of big data, ensuring accuracy, efficiency, and long-term business growth in the digital era.

### Factors Big Data Required Updated System and Software

- **Big Data Challenges**

The expansion of financial transactions, client databases, and compliance requirements has clarified that traditional accounting systems are no longer sufficient. These older systems struggle to handle the massive amounts of data generated daily, making it harder for firms to process, store, and analyze financial information effectively. As a result, there is an urgent need for accounting firms to adopt modern systems and updated software to manage big data efficiently for decision-making, financial auditing, and compliance with regulations. Without these advancements, firms risk facing serious consequences such as financial reporting errors, fraud, operational inefficiencies, and reduced reliability.



- **Regulatory compliance**

Big data transformation is not just specific to certain firms but affects the entire accounting profession. Regulatory bodies, including the Malaysian Accounting Standards Board (MASB), the Securities Commission Malaysia (SC), and the Malaysian Institute of Accountants (MIA), have stressed the importance of data integrity and cybersecurity in today's digital environment. These organizations emphasize that accounting firms must implement advanced technology to meet regulatory standards. However, despite these warnings, many firms still rely on outdated legacy systems that lack essential features such as automation, real-time data analytics, and improved cybersecurity. Without these functions, firms struggle to handle big data efficiently, leading to missed opportunities, difficulties in compliance, and overall ineffective internal operations.

- **Cybersecurity threats**

In recent years, there has been a rise in cybersecurity threats across industries, including the financial sector. These cyberattacks highlight the vulnerabilities that firms face when using outdated systems, leading to risks such as data breaches, financial losses, and reputational damage. This reinforces the urgency for firms to adopt more secure and modernized platforms.



- **Regulatory pressures**

In addition, firms are under increasing pressure from regulatory bodies to comply with evolving financial regulations. In Malaysia, digital tax reforms, such as the implementation of e-invoicing mandated by the Inland Revenue Board of Malaysia (IRB), require firms to upgrade their systems to remain compliant. Failure to do so could lead to penalties, fines, and loss of client trust, ultimately affecting business sustainability.



- **Client expectations**

Clients now expect faster and more accurate financial reporting, predictive analytics, and data-driven insights. As businesses continue to embrace digital transformation, there is a greater demand for real-time financial analysis and forecasting. However, firms that still rely on outdated systems struggle to meet these expectations, resulting in slower responses, increased chances of financial misstatements, and loss of competitive advantage. To keep up with these changing demands, firms need to integrate modern accounting software to process big data efficiently and provide accurate, actionable insights for decision-making.

- **Automation benefits**

Additionally, the increasing role of big data in accounting highlights the need for firms to invest in automation technologies to streamline processes and reduce dependency on manual tasks. Traditional manual accounting processes often lead to human errors, which can be costly. By implementing automation, firms can improve accuracy, minimize repetitive tasks, and ensure a more efficient workflow. Automation also enables predictive analytics, allowing firms to anticipate financial trends, manage budgets more effectively, and identify potential risks before they escalate into major problems.

- **Employee training**

Another crucial aspect of adapting to big data in accounting is ensuring that employees are well trained in handling new technologies. As firms become more reliant on big data and AI-driven solutions, the employees must possess the necessary skills to navigate these tools effectively. This includes training in software usage, data governance, and cybersecurity best practices to ensure compliance with regulatory requirements. Even the most advanced systems will fail to deliver their full potential without a properly trained workforce. Firms must prioritize continuous learning and development to equip their employees with the technical knowledge required to thrive in a data-driven accounting environment.

## Conclusion

Ultimately, the ongoing digital transformation within the accounting profession presents opportunities and challenges. Firms must recognize the importance of modernizing their accounting software, establishing strong data governance policies, and investing in employee training. Failing to upgrade outdated systems will lead to inefficiencies, cybersecurity risks, and regulatory penalties, making it harder for firms to operate effectively. By proactively adopting updated systems and software, accounting firms can stay competitive, ensure regulatory compliance, and make well-informed, data-driven decisions that support business growth and sustainability in the digital age.

## References

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