ACCOUNTING BULLETIN

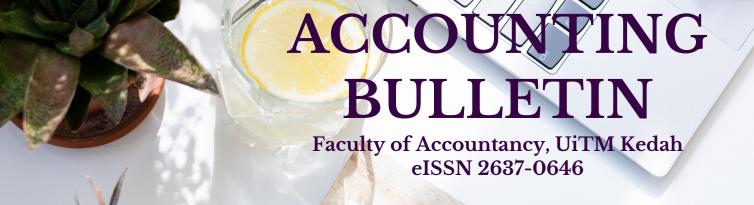## Faculty of Accountancy
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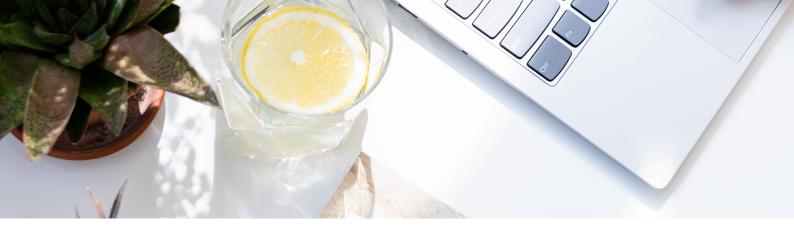# TABLE OF CONTENTS

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Robotic Process Automation for Future Accountants: A Threat or Asset

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Robotic Process Automation (RPA) is the use of software to handle rule-based, repeatable tasks currently performed by humans. RPA technology can copy what human is doing manually and make it automated. RPA is not a physical robot, instead it is just a software that is highly powerful to copy the workflow tasks previously done by humans. RPA is sometimes called as the 'softbot'. RPA as one of the categories that falls under artificial intelligence (AI), is basically a fundamental step towards the far-reaching but less defined artificial intelligence.

RPA can automate any business process that occurs within a company. The business process comprises related activities and tasks that when completed in a sequence accomplish an organizational or business objective. Any organization is built around repeatable processes, whether they are transactional or value added. Business processes that are repetitive, rules-based, have limited system integration and documentable are best suited for RPA. Repetitive tasks can be the same tasks that are done daily, weekly, monthly, quarterly or annually, regardless of whether the volume is high or low. For example, accounts payable (AP) processes require batches being run daily to verify and process invoices. The AP department has to perform runs for printing and Electronic Fund Transfer (EFT) payments, audit high-value transactions, manage all other disbursement-related activities such as dishonored cheques, input wire transfer transactions into AP sub-ledger, reconcile wire transfer activities and reconcile cheques and accounts. These repetitive tasks can all be done using RPA.

Rules-based means the tasks can be clearly written down for anyone to follow and there is not much or limited judgement required for most or all the processes. For example, in a tax preparation process, there are outlines of rules from government-based documents that need to be followed. These rules are manually processed and segregated to different folders before the actual tax processes are performed. This manual intervention of preparation work can easily be automated by the RPA.

Nowadays, most businesses suffer from lack of integration between the systems in the business, whereby multiple applications and systems within an organization actually do not always talk to each other. Lack of integration between systems may originate from legacy systems due to acquisition or mergers, and this always relies on humans to close the gaps. With RPA, different systems can easily be integrated, and this can reduce time spent on closing the gap between systems.

There are different kinds of automation in RPA. For example, there are 'unattended bots' that work in the background, where human intervention is not required. They work based on activities that are triggered by other activities. They are usually batch processed on servers which are scheduled 24 hours. Another category is the 'attended bots', which require human intervention. They are usually at desktop level (PC based) and triggered by specific events or employee commands. Both attended and unattended bots' roles should be coordinated by the business' Center of Excellence (COE). The CEO should ensure rapid and smooth adoption of RPA across the organization and provide education and training focusing on the whole organization or delegated to divisional levels.

With all the current development in technology, businesses must initiate the steps of finding processes, using RPA and improving those processes. The challenge for business is how to move from theory and concept to actually doing and implementing it. Perhaps finance, especially accounts payable could become a starting point in any organization. In line with these, demand for digital skills becomes greater. Future accountants must equip themselves not only with strong accounting foundation but also additional knowledge of new digital technology. As evident in the findings of a study by Kokina, Gilleran, Blanchette and Stoddard (2021), accountants nowadays play important roles as identifiers, explainers, trainers, sustainers, and analyzers of their organization's automation initiatives.

In the future, blended workforce will prevail comprising both human and digital workforce. Technology will be taking over some human tasks while humans are still overseeing those tasks that contribute to the value at work beyond that. As technology evolves, it is expected that bots and humans would be working together in creating value for businesses. According to Yoon (2020), the technology transformation is expected to be accelerated especially after COVID-19, and thus it is necessary to understand and explore ways to effectively apply it.

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Kokina, J., Gilleran, R., Blanchette, S., & Stoddard, D. (2021). Accountant as digital innovator: Roles and competencies in the age of automation. Accounting Horizons, 35(1), 153-184.

Yoon, S. (2020) A study on the transformation of accounting based on new technologies: Evidence from Korea, Sustainability, 12(1), 1-23.