EDITORIAL

Future of Accounting Profession: Challenges & Opportunities

Change is an undeniable fact of life. With every passing year, new and innovative improvements are made in software, which helps in enhancing the user experience. Accounting trends and developments are reactions to changing landscapes, technology disruption and other market forces that shape the accounting profession as we know it today. The change is rapid and driven largely by lightning-fast advances in technology. In many ways, the pandemic has hastened that adoption. Like, wider adoption of cloud-based accounting software, as well as a move towards automation and artificial intelligence.

The past decade has seen a slow but steady migration to cloud computing. But as with so many other things, the COVID pandemic has accelerated that adoption of cloud computing by at least a decade. Cloud computing allows easy access from anywhere, at any time, on any device, in real-time. In 2022, companies are going to continue to migrate their accounting software, platforms and other applications to the cloud, for a number of reasons. There is an incredible increase in mobility with cloud computing, allowing for access from any device. Cloud computing deploys top-notch security, process automation, an increased ease of recovery and improved collaboration and scalability to take into consideration.

Automation can take away the mundane and transactional work, which will require accountants to upscale and focus on analytical and soft skills, allowing them to put their efforts into problem-solving, leadership, and people skills while they leave the rest of their time-consuming tasks such as data entry to be taken care of by artificial intelligence. Machine learning and RPA are being used to reframe the approach to accounting. Artificial Intelligence (AI) has made a significant impact in the world of finance and accounting. In fact, AI-enabled accounting information systems are the way for enterprises to stay strong contenders in an increasingly competitive market because they save time and provide deep insights. An Accounting Information System (AIS) is the systematic process of collecting, storing, and processing financial & accounting data which is used by internal accountants to report the information to investors, creditors & tax authorities. This system disseminates the company-related information to the stakeholders for faster decision-making.

Financial reporting is a critical part of accounting information systems, helping to ensure the ethical allocation and discussion of capital in the investment community and the public. Financial regulations globally make the effective deployment of an accounting information system a near necessity for any small, medium, or large-sized business. Financial reporting is no more a painstaking, manual process. That is because in recent years, software solutions have streamlined reporting procedures with the use of features and functionalities that allow hassle-free collaboration over a cloud environment. Moreover, financial reporting has gone digital in several geographies through the use of a structured data format known as XBRL or eXtensible Business Reporting Language. The XBRL format has revolutionized corporate reporting by helping companies create documents that computers can 'understand'. XBRL lowers information processing costs by making it easier for analysts, investors, and other stakeholders to access complex financial information.

IFRS has also become a universal financial reporting language through which all the global companies are communicating with their global investors rather than having a divergent set of standards applied differently in different countries. In the context of corporate governance, the role of IFRS is very significant. Whilst IFRS constitute high-quality accounting standards, XBRL represents a technology standard that can enhance the usability of IFRS and overall financial reporting transparency. This is the key to strengthening the corporate governance mechanism for various reasons. The conceptual framework of IFRS and measurement principles is very much similar to the cost accounting principles and standards which are based on materiality, relevant cost, current value and uniformity. Further in strengthening the corporate governance mechanism along with IFRS there is a need to introduce the concept of management audit within the supervision of independent directors and the regulators.

CMAs should endeavour value addition to their clients by advising cost effective sustainability practices and reporting. They should contribute to the organization's financial management procedures in order to ensure that they are effective, efficient and compliant with appropriate financial statutory and regulatory requirements. With more diverse skill sets and greater technical acumen, CMAs can bring their own expertise to teams in other business units, providing crucial financial intelligence, refining budgets or ensuring compliance. As a function, accounting may become less about refining one's skill set through certifications and more about core competencies that grow over time, with a focus on lifelong education and skill development required to take on a complex, ever-changing business environment. Tomorrow's accounting professionals will play a more creative and strategic role in their companies. As a result, their businesses will not only enjoy a more efficient workflow but also reap useful insights from their accounting processes, facilitating their own resiliency, agility and competitive footing.

This issue presents a good number of articles on the cover story ***"Future of Accounting Profession: Challenges and Opportunities"*** written by distinguished experts. Further, we look forward to constructive feedback from our readers on the articles and overall development of the Journal. Please send your emails at *editor@icmai.in.* We thank all the contributors to this important issue and hope our readers will enjoy the articles.