



# EMERGING ISSUES AND CHALLENGES IN THE INDIAN ACCOUNTING SYSTEM

**Bhanwar lal**  
associate professor  
SRRM Govt. college jhunjhunu

## ABSTRACT

*Change is something that is always occurring in the accounting sector. This is mostly due to the quickly advancing information technology as well as the very dynamic corporate culture that exists in the present day. Both of these elements have contributed to the occurrence of this particular phenomenon. The occurrence of something is something that takes place in each and every occasion. The progress that has taken place may be directly related to the contributions that were made by both of these components during the course of the development. Some examples of the types of technologies that have the potential to fulfil a wide range of business requirements include large volumes of data, tools for data analytics and forecasting, mobile technologies, cloud computing platforms, automated accounting processes, blockchain technology, and forensic accounting. These are just some of the examples. One further example is the field of forensic accountings. The examples above are only a handful of the many that are available. The reality of the matter is, however, that this list does not include everyone and everything. These are only a few instances of the many different types of technologies that are capable of satisfying these criteria. There are many more. There is a great deal more. There is a great lot more to consider. It is feasible that the techniques of automated processing that are used in contemporary accounting technology have the potential of displaying the quality of the data that it contains. This is something that is possible. Consequently, this leads in a decrease in the amount of work that accountants are required to accomplish, which, in turn, results in an improvement in the quality of the choices that are made. It is also possible to visualise data and get rid of data that isn't required by completing processes such as data cleaning and data profiling, which are made possible by the new accounting technologies. Because the data can be visualised, this is made feasible by the fact that it is possible. It was formerly difficult to do this, but because to recent advancements in accounting technology, it is now feasible. Due to the fact that the data can be visualised, this is made possible by the fact that it is feasible. This is because the data can be visualised. Because the data can be visualised, this is made possible by the fact that it is practical. This is because the data can be visualised. As a result, the data may be represented in a visual format. With the aid of this research effort, I will be able to present a summary of the most recent and major events that have occurred in the accounting industry. I will be able to do this because I will be able to provide a summary. Through my presentation, I will be able to give proof that these enhancements have been successfully implemented. Additionally, the essential components of big data, analytics, cloud computing, and mobile technologies are discussed in this article. Other subjects that are addressed include these. Additionally, the essay discusses the challenges that are of crucial relevance to the field of mobile technology. This is an important aspect of the paper.*

**Keywords:** Technologies, Cloud- based Accounting, Data Analytics.

## INTRODUCTION

Numerous new accounting technologies are being developed in this day and age. These technologies are constantly being introduced. Technologies such as cloud-based accounting, mobile technologies, automated accounting processes, cloud computing platforms, block chain, and forensic accounting are examples of some of the technologies that fall under this category. It is of the highest importance for the management of the business to stay up to date on these developments in order to improve their ability to make smart decisions about the company's finances. This is because of the significance of the situation. As a consequence of the introduction of new technology, accountants are seeing a change in their role, which is having an impact on millions of individuals all over the world. Increasingly more people are experiencing this issue as a consequence of the quick rate at which technology breakthroughs are being created. Many factors, including rapid technological breakthroughs, increasing globalisation, and the ease of communication via the internet, as well as changes in laws and regulations, have been hypothesised to be responsible for these transitions. Among these factors are the ease of communication over the internet. Cloud computing and artificial intelligence are two of the most significant core components of the current accounting system, and they are relied upon extensively by the system. There have been recent advancements in technology that have led to the creation of digital accounting systems. These systems are designed to aid growing organisations in better managing their transactions, satisfying the requirements of their customers, and enhancing the productivity of their personnel. In recent years, the corporate environment has grown more dynamic as a consequence of the intense rivalry and performance-driven advancements that have happened in the area of information technology. This has occurred since the beginning of the last decade. In addition, the accounting sector is now going through a phase of transition that is characterised by widespread disruption. As we move into the age of the Internet of Everything (IoE), the accounting profession is now experiencing a metamorphosis in order to fulfil the needs of modern organisations. This revolution is being brought about by the Internet of Everything. Artificial intelligence and process automation are taking over the mundane and repetitive duties that professionals are responsible for. This will free up more time for experts to focus on more complicated work, such as analysis and business consulting. In order for accountants to be able to work effectively with continually developing technologies like as cloud platforms, Big Data, data analytics, and mobile technologies, they need to acquire new skills. Academics emphasise the importance of colleges providing their students with the assistance they require to acquire at least theoretical knowledge in the field of information technology (IT). This is due to the fact that the academic environment serves as a bridge between individuals who are interested in becoming accountants and the accounting profession. The fact that accounting professionals are tasked with a large number of obligations and commitments might sometimes lead them to experience feelings of being overburdened.

In the process of attempting to achieve a balance between strategic planning, financial reporting, and client services, it is probable that staff members may get overworked, and as a result, the quality of their work will suffer. Your workers will be able to concentrate on high-value work and free up bandwidth for other activities if some of the non-core duties that they are responsible for are contracted out to certain vendors. The pandemic has ushered in a new age of work environments that are characterised by a combination of remote and hybrid work arrangements. In spite of the fact that these settings provide freedom, they also present difficulties in terms of the security of data, communication, and collaboration. The implementation of secure cloud-based solutions that enable remote collaboration and guarantee that your workers have access to the resources they need from whatever location they may be in is one potential option that might be considered. While it is possible that mistakes in payroll might result in unsatisfied workers, there is also the risk that they could cause challenges with compliance. It is essential to process payroll in a way that is both accurate and timely in order to preserve confidence and avoid incurring fines. Work with an outsourced provider or hire professional payroll specialists is one technique that can be utilised to guarantee that payroll administration is done out in a manner that is both accurate and compliant. This can

be accomplished by using any of these two approaches. The integrity of financial data and reporting is now being challenged against, and the ongoing danger of accounting fraud presents a threat to both of these aspects of the organisation.

When it comes to the detection and prevention of fraudulent conduct, vigilance and strong internal controls are two characteristics that are absolutely necessary. It is probable that the answer rests in the development of tight internal control systems, the use of modern fraud detection technologies, and the performance of frequent audits. The use of generally accepted accounting principles (GAAP) in a manner that is both efficient and consistent may be difficult, which can result in financial reporting that is not only inconsistent but also misleading. It is possible to reach the goal of ensuring that all of your staff are aware of the requirements of generally accepted accounting principles (GAAP) by providing them with continuing training. In situations when you are uncertain about anything, you may also consider getting in contact with several specialists. There is a risk that it will be difficult to stay up with these advancements and assure compliance with the accounting standards that are always being revised. This is because the regulations are not static.

It is possible for you to make an investment in training and subscribe to updates from the organisations that are responsible for defining accounting standards in order to guarantee that your staff is both knowledgeable and able to adapt to new circumstances. In order to successfully manage these difficulties, accounting professionals need to display a mentality that is both proactive and adaptive, as well as a readiness to accept new ideas. It is possible to change obstacles into opportunities for development and expansion by using technology, providing funding for training, and researching the possibilities of outsourcing. These are all examples of methods in which challenges may be transformed. In the event that you are well-equipped to traverse the accounting landscape, you should study the ways in which the accounting solutions provided by CrystalVoxx may assist you in overcoming these problems and achieving financial success in an environment that is characterised by a high rate of activity.

## 1. The Emergence of Cloud-Based Technologies

You need to become acclimated to learning new technologies since cloud-based technology is quickly becoming the dominant technology. It is anticipated that the market for cloud computing would nearly quadruple over the next four years, with the present worth of the sector standing at \$445.3 billion (US). A significant number of accounting firms have used cloud-based technology in order to facilitate remote operations and enhance their ability to communicate with clients. The market and environmental elements that are now present are the reason why people are turning to virtual accounting services for their financial matters rather than the traditional in-person accounting that is traditionally used. Businesses in the accounting industry who have not yet adopted cloud-based technology solutions to support their operations are now confronted with a reduced number of options. The solution is to include technologies that are hosted on the cloud into your standard routine. Make advantage of secure client portals such as TitanFile, in addition to Tableau and other data analytics tools, in order to collaborate with clients and send and receive files in a secure manner. Invest some time in learning about cloud-based technologies so that you may utilise them to complete your assignment, become an expert in the field, and increase the productivity of these technologies.

## 2. Overseeing Client Data Security and Cybersecurity

Accounting firms have maintained their policy of allowing their employees to work from home up to the year 2022, which has resulted in the continued availability of online accounting services and the cloud storage of client information. There has been a considerable increase in the number of cyberthreats that aim to steal personal information, such as social security numbers, credit card details, and tax returns, now that more and more of this information is stored online. In point of fact, hackers attempt to get access to your data every 39 seconds, which results in a cyberattack having occurred. Those accountants who are concerned about the safety of their customers' information are required to make investments in cybercrime protection strategies now more

than ever before. The resolution is to put in place strong processes to protect the information of your customers. Make sure that two-factor authentication is established so that you can raise the level of security. In order to fix any vulnerabilities or defects, you should update the software on your computer. See to it that you comply with the rules governing data protection. The greatest possible protection against cybersecurity threats may be achieved by the use of all of these solutions in conjunction with one another.

### **3. Competence in Accounting vs. Automation**

The success of accountants and their organisations will be determined by their ability to acquire new skills in addition to their existing ones. As a result of automation, it is more important than ever before to constantly improve your skills in order to maintain your competitive edge in the market. Accounting is now responsible for 29% of all automation that is currently in use. There are a number of labor-intensive occupations that have been eliminated from the workforce as a result of automation. Some examples include auditing, financial reporting, and payroll. Although this is beneficial to companies since it helps them increase their margins by decreasing the amount of time they spend on tasks and improves accuracy by removing human error in manual data input, it has also called attention to the discrepancies in the level of technological skill that accountants possess. Due to the fact that accounting is becoming more virtual, it is beneficial to have staff members that possess technological and advanced accounting experience. You should enrol in a class that will help you develop your skills that are particular to your field. In order to evaluate the efficiency of your work and locate areas in which you may improve, you need acquire understanding of technical tools such as financial modelling, data analytics, and forecasting. In order to build your personal ties with consumers, you should work on improving your soft skills such as communication. No, certified public accountants are not going to disappear because of automation. In spite of this, in order for accountants to fulfil the requirements of the company, they need to refresh and improve their skill set.

### **4. Work from Home and Expense Tracking**

16% of firms throughout the globe are completely run from a distant location. In order to combat the expanding pandemic, a significant number of accounting firms have gone online and devised a strategy that allows employees to work from home. A few of the benefits that the consumer, the accountant, and the firm may enjoy include easier access to information, reduced costs associated with travel, and reduced expenses associated with office space. Considering that 77% of people who work from home claim to be more productive than those who work in an office, this is a really positive development for everyone. On the other hand, working remotely creates a number of challenges for accounting teams who are used to meeting in person, transferring files, and communicating with one another. We work from home (WFH) stipends and fraudulent purchases have increased the spending risk for companies. For instance, when a firm gives an allowance to buy a new desk for a home office, but the buyer instead obtains a television for personal use, this is an example of a fraudulent purchase. A strategy has to be developed by both businesses and employees in order to make the most of remote work and maintain cost management. In order to increase productivity, the solution is to devise a strategy for working from home. Make use of tools such as TitanFile for conducting secure file transfers, Slack for facilitating team communication, and Zoom for holding virtual meetings. The establishment of a WFH policy that requires remote workers to give proof of purchase and securely complete the relevant documentation for firms that need to track spending is something that should be pursued.

### **5. Energy Depletion and Productivity**

When it comes to the period leading up to tax season, which is also referred to as the busy season, accountants are required to put in more hours of work each year. Some people report that they work as much as seventy to eighty hours each week, which is not simply a few extra hours here and there. More hours will be required in order to finish managing the paperwork associated with taxes, gaining insights, and finalising the files for customers. However, burnout is caused by spending an excessive amount of time working and a (regular)

disregard for personal time and self-care. Burnout may be prevented by scheduling frequent breaks. One is said to be in a condition of burnout when they are experiencing mental or physical stress as a result of their profession, which causes them to feel weary, lacking in energy, and less effective. This is not a pleasant feeling at all. Accounting professionals, on the other hand, have the ability to adopt preventative measures in order to achieve success and avoid burnout. Don't forget to allow yourself some time, as said in the resolution. In order to ensure that you are able to take brief breaks from lengthy work periods, you need create a schedule. If you want to efficiently manage your time, you should arrange your work in a priority sequence and prioritise your responsibilities. Take part in any kind of physical exercise; even a short stroll of fifteen to thirty minutes can help enhance your mood and your energy levels.

## **RECOGNISING CRITICAL UPCOMING PROBLEMS IN ACCOUNTING**

The following are some of the primary topics that are discussed in this document: value-based account pricing, cloud-based accounting technologies, automation and accounting skills, evolving accounting standards, forensic accounting, big data in accounting, the rise of accounting software solutions, and blockchain technology in accounting. Since accounting is responsible for communicating information about the firm's operational and financial performance, it acts as the voice of the company. A firm entity's ability to fulfil the requirements of a number of stakeholders is the single most important factor in determining whether or not it will be successful. In addition to satisfying the requirements of a wide variety of stakeholders via the production and distribution of products and services, it is of the utmost importance to meet extra commitments such as maintaining social duties, protecting the environment, and adhering to the rules and regulations that are imposed by authorities. Following the completion of its responsibilities, the company is obligated to provide a report to all of its stakeholders about how it performed in respect to the actions that were described earlier. This is done in order to guarantee accountability. It is possible to make the case that the management's primary objective is to efficiently communicate business and financial information in order to win the trust of all of the stakeholders. It is becoming more possible for the technology that is used in firms to carry out accounting activities to experience further development opportunities.

A recent advancement in the field of accounting information dissemination systems is the use of robots in accounting, which is one of the most current advances. This new advancement in accounting operations management has a direct influence on approaches that are faster, more cost-effective, and have eliminated the need for paper. Due to the fact that technology is plainly used in every aspect of modern life, it can be found everywhere. In a similar vein, the business sector is heavily reliant on technology in order to adjust to the quick changes that are brought about by new breakthroughs in the existing one. Given that we are now living in an age characterised by artificial intelligence (robotics), a number of accounting firms throughout the world are working towards the goal of incorporating robots into their accounting processes. Using artificial intelligence to speed up increasingly difficult tasks that humans have to do is the primary goal of robotics. According to an article published by the Financial Stability Board, businesses in both the public and private sectors are using robotic technology for the purposes of regulatory compliance, monitoring, data quality evaluation, and fraud detection. Because of advancements in computer technology and robotics, it is now abundantly clear that the accounting and reporting duties of corporate companies are shifting away from paper journals and ledger patterns and towards computerised patterns. This shift is caused by the growth of both of these technologies. Accounting procedures are made easier by robotic technology's unique capabilities, which include self-management, self-tuning, self-configuration, self-diagnosis, and self-healing.

## **MODERN ACCOUNTING REQUIRES NEW ABILITIES**

There is a wide range of work opportunities accessible in the field of accounting, catering to both beginners and seasoned experts alike. In order for the job seeker to be successful in the accounting business and get the position, they need to learn the accounting abilities that are now in the most demand. These abilities are not limited to mathematical brilliance alone; rather, they are a combination of technical knowledge and soft

skills. It is necessary for the accountants to have great computer abilities because of the volume of data that must be managed on a consistent basis. In the field of accounting, having strong computer skills goes beyond being able to easily use Word and Excel; it also includes having a comprehensive understanding of a number of accounting software systems. Accountants in the modern day make use of a wide range of accounting software, including systems for timekeeping, payroll, and resource management.

It is important to note that the following are some examples of popular accounting tools:

- Complex modelling and Excel approaches
- ERP programmes like Oracle, SAP, and so on.
- Analytics for large data and query languages (such as SQL)
- Visual Basic for Windows
- Power BI for Visualisation of Data

## CONCLUSION

There is a wide variety of challenges that accountants struggle with. On the other hand, these challenges are really small obstacles for those who are inventive and adaptive. Accountants who take initiative and devise a strategy to deal with each new challenge will, in the long run, be rewarded with major benefits. Accountants can consider a variety of choices, including but not limited to acquiring additional skills, implementing security measures, and adapting to cloud-based technology. Titan File is the leading supplier of secure client portal software for accountants who are interested in implementing a cloud-based file sharing solution that is safe. Currently, accountants have the option to get a discount of seventy percent off of our platform, making this the best time ever to deploy a new company solution. As a result of this circumstance, a variety of accounting issues have surfaced, and we are able to provide solutions to the challenges that accountants face. There are very few obstacles that stand in the way of those who are inventive and adaptable among these challenges. In the long run, accountants will benefit much by taking preventative measures and developing strategies to deal with emerging problems as they occur. The use of cloud-based technology, the implementation of security measures, and the pursuit of continual education are some of the things that accountants have to take into consideration.

Furthermore, the advent of Covid-19 has increased the essential role that technology plays in accounting operations. This is due to the fact that remote labour was required during the pandemic of the virus. One of the advancements that is receiving the most attention in the area of accounting is the use of artificial intelligence, data analytics, and cloud computing. In spite of the fact that it will need the implementation of on-premise solutions, analysts believe that organisations will be able to enjoy the benefits of installing cloud-based apps on-premise. It is projected that the worldwide accounting software market share will earn a significant quantity of income over the course of the following years. It is anticipated that the market for cloud managed services would expand at an expected annual rate of 11.6% between the years 2021 and 2026, ultimately reaching a total value of \$115.6 billion. By using cloud computing, accountants are able to simplify their job. According to the results of Sage Advice's "The Practice of Now 2020: The Essential Report for Accountants," cloud technology has assisted 67 percent of accounting practitioners in producing work of a better quality. Cloud-based solutions were used by 53 percent of the participants for the purposes of customer communication and project management. The accounting sector seems to have a promising future ahead of it. For the simple reason that they are afraid of losing their employment, professionals are very worried about automation. It is essential for a machine to have human connection in order for it to function properly. With this in mind, in order for firms to maintain their competitive edge in the contemporary business world, it is imperative that they remain current on the most recent developments in accounting.

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