INFORMATION TECHNOLOGY IS MAKING ACCOUNTANTS REDUNDANT

1. INTRODUCTION

The term "information technology" or IT, encompasses hardware and software products, information system operations and management processes, and the skills required to apply those products and processes to the task of information production and information system development, management and control. Currently, IT is present in all sectors and at all moments in our daily life and is one of the core competencies of almost any profession. IT also requires special attention due to its explosive growth and its rapid rate of change.

Currently, things change faster than they did in the past and IT can be considered as a main factor in those changes. Accounting and accountants are not an exception. There is a changing role for them within organisations. Accountants should understand the activities, processes, and information needs of organisation stakeholders because in the competitive organisations of today and tomorrow, accountants cannot simply prepare and report information, they must take a more active role in business decisions, and provide solutions that impact the organisation's bottom line.

2. AGAINSTS

IT is extremely beneficial for the people in general because information is now available in great amounts. Also it is strongly influencing many professions: Those related with the most advanced technological fields such as telecommunications or engineering in a very positive way, and others in a negative one. Considering the accountancy profession, IT has its fors and againsts. Its influence can be negatively considered for the profession in some aspects such as:

- It is eliminating some areas of practice which were once the exclusive domain of professional accountants or is reducing their economic attractiveness. Today, inexpensive, easy to use and powerful pre packaged accounting software is reducing the demand for accounting and accounting system development, once the exclusive domain of professional accountants. Also that pre packaged accounting software allows normal citizens to plan their taxes and prepare their tax return. Those tasks have traditionally represented important activities for many professional accountants. The professional tax planning expertise that was once the private domain of individual practitioners is increasingly being embedded within these same tax packages, reducing the demand for such services as well.

- It is also affecting the way in which organisations operate. Traditionally, professional accountants have been entrusted with the tasks of evaluating investments in business systems, evaluating business system designs and reporting on potential weaknesses. Increasingly, information technology deployments are supported by extensive organisational restructuring around such technologies.

- In the past, accountants engaged in internal and external auditing activities were needed in great numbers in order to trace documents, to perform a variety of analyses, and to document audit work. Today, due to the computerisation of business records and the availability of computer assisted auditing tools, these activities can be performed faster and more thoroughly with the assistance of computer based tools, reducing the demand for such activities.

- **FORS**

Considering what it is written in the previous paragraphs, the accountants' future is just to be made redundant as the title of this report says following the path of many other professionals. But, on the other hand, IT changes have created many new opportunities for professional accountants in areas such as information development, information system management, business advisory services, and system evaluation. For example:

- information development: professional accountants have a tradition of producing information to enhance management decision making. With the advent of new information technologies, professional accountants can help bring richer sets of information to bear on specific managerial decisions or help screen out essential information from the potentially overwhelming proliferation of information that is now available. One of the implications of the growth of such services is the need to expand professional accountants' perspectives beyond their traditional focus on accounting information to other important types of information and performance indicators, including non financial information.

- information system management: information system management has been characterised by a communication gap between top management or functional managers lacking IT skills and technologists lacking in business backgrounds. Professional accountants can provide a valuable service by bridging such communications gaps, adding a sound business perspective to the consideration of IT issues and vice versa.

- business advisory services: broad business backgrounds, financial skills and objectivity, can provide valuable advisory services related to assessing investments in strategic information technologies and advising about control systems required to meet the needs of management and, in some cases, the requirements of legislators and regulators. Some professional accountants are actively involved in the system development and integration field.

- information system evaluation: professional accountants have traditionally provided evaluative services in their roles as internal and external auditors. As information technologies proliferate, there are increasing demands for objective assessments of information system controls such as controls over information privacy and integrity, and controls over system changes. In addition, there are concerns about information system failure and the reliability of information processing continuity provisions in the event of system failure.

All of the areas identified above represent important work domains in which significant numbers of professional accountants participate. Some of these areas are not the exclusive domain of professional accountants and are not commonly associated with the accountancy profession. However, they all represent important opportunities for professional accountants.

4. THE WAY AHEAD

The accountancy profession must be able to address the above mentioned challenges and take advantage from the new technologies to make accounting more reliable and efficient.

Society expects that professional accountants who accept an engagement or occupation have the required level of knowledge and can apply it to practical problems. In order to maintain the accountancy profession's credibility and capability in supporting new IT initiatives, the competence of professional accountants must be enhanced so that public trust and confidence in professional accountancy bodies is maintained.

IT is also changing the nature of the accounting activity. The career plans of professional accountants must be based on a realistic view of the changing nature of accounting, the accountancy profession's changing role in providing services to business, government and the community at large, and the knowledge and skills required for future success as a professional accountant. Some IT skills, such as the ability to use an electronic spreadsheet, are now indispensable but since an increasing number of professional accountants are engaged in providing IT related advisory and evaluative services, it is important that professional accountancy bodies maintain the quality and credibility of these services through both prequalification and postqualification education requirements.

5. CONCLUSIONS.

Although very beneficial for the general public, it is evident that IT is fundamentally changing professional accounting whatever the accountant's work domain or role. Consequently, professional accountancy bodies throughout the world must address and adapt to these changes. The knowledge and skills on IT issues is of vital importance in the future of this and many other professions.

Due to the fact that some accountants' activities can be developed by other professionals because of the improvements in pre packaged accounting software, it can be expected that the number of professionals is going to be reduced in the near future. This does not necessarily mean that the future of the profession is at risk. The profession is in good shape and only some minor modifications are needed to maintain its reliability.

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