Information technology and accounting

Technology

The use of accounting software programs has provided many benefits to the companies that utilize them. It has allowed for simpler processes, automation of tasks, fewer errors and an audit trail. Other important components of utilizing a software program are the development of faster financial reporting and centralized accounting operations. There are many computerized accounting Information systems available depending on a company or Individual's needs and the amount of dollars they are willing too Invest.

With these software programs the need for formally trained accountants Is becoming less of a acquirement. A downside to these programs can be the elimination of Jobs, particularly entry level, because certain tasks can be handled behind the scenes within the computer programs. SAP and Oracle are two main systems being utilized by larger corporations. They are fully integrated software packages that allow companies to select how data will be input and how the data links into the accounting function use.

The programs also have the ability to be tailored to meet specific company needs. The development of these programs has taken the monthly accounting close from weeks to Just a few days. Quarterly reporting and year end processing has been reduced from months to Just a few weeks. This has allowed for more accurate Information and a faster presentation of the financial information. Schoolbooks has changed the way small businesses handle their accounting needs.

This program can allow for the day to day accounting functions to be handled less expensively in house. The information can then be easily

transferred to the accountant for financial statement preparation. Lastly, programs such as Quicken give individuals the opportunity to manage their own finances like an accountant. A infinite to using this program is the ability to provide tax professionals organized information that allows for a quickly prepared tax return. Data storage is an important technology component in the accounting area.

It is critical that software programs and systems have adequate storage and back up functions. There are numerous options available depending upon a company's needs. They range from small and Inexpensive to large and costly. Options include external storage, such as a CD or DVD, tape drives that can be separated from systems or storing data with an outside company to further prevent the loss of data. Another critical Issue In the genealogical advancements In accounting Is the potential for fraud and sabotage.

These are areas that have become much more prevalent since the explosion of becomes critical as there are not hard copies of documents any more. With all files being online it is easier for someone to manipulate data making it harder to detect. This is an area that will continue to grow and have programs developed as new risks are identified. In conclusion, the advances in accounting information technology have been significant. However, there is a new era of risk that must be addressed to ensure the security and integrity of accounting records.