Effects of technology on the accounting process

Technology

Is constantly Increasing and Invades every aspect of a person's life. Accounting professions are no exception and even more so are affected by the information systems that are used within the accounting field. This paper will describe how information systems are changing the various aspects of the accounting profession and include a description of a variety of new technologies and their effects on accounting processes. In addition, this paper will discuss how these technologies have changed the way accounting Is performed within the Insurance Industry at Allocate followed by a conclusion that recaps the major points of the paper.

A shoebox filled with receipts, an Excel spreadsheet, a Peachtree software suite, and other company integrated accounting programs are all examples of accounting information systems. Accounting professions no longer have to use a paper and a pen to complete tedious calculations, but accounting information systems do not only apply to computerized programs that manages accounting information. As stated previously, a shoebox is such a system. Technology though has had a large impact on both the accounting professions and the accounting information systems that accountants use.

Pad's, cell phones, web conferencing, internet, and many other technological advances within the last few decades has allowed people from all professions to stay connected to clients, associates, and others In the fast paced world around them. This technology has allowed for accounting professionals to work on clients information around the world in travel or from the comfort of their living room at home. Technology has sped up the process of getting the needed information that a client needs to make their informed decisions.

Web conferencing, similar to phone conferencing allows users on both sides to see presentations of what the host Is splaying. Professions within the accounting industry have had both positives and negatives to say in regard about the technology's role on accounting information systems and their positions. Auditors see it as more of a hassle to go through the technology and the accounting information systems to review financial statements but the front end user may see It as beneficial because it allows for simpler entry of the accounting Information.

Gerry Ross states that It limits the audit trails that paper documents leave behind and that some internal controls need to be adjusted for technology's impact on the accounting profession (Ross, 1988). Also, the technologies can be programmed to check for errors, which are something that some technology systems may do better than others. L. G. Boomer states that the biggest need is for companies to properly select the correct accounting software and train staff accordingly.

He lists system are: " 1 . Defining existing processes, 2. Refining the processes, 3. Selecting the appropriate software, 4. Training personnel, and 5. Documenting the results" (Boomer, 2000). What he tries to convey during his article is that many impasses use the incorrect technology for their business needs and the interaction of technology on the accounting profession could cause their company to fare better or worse than using other technologies.

Insurance and the Allocate Insurance Company has had the same affect that technology has placed on accounting professionals. Insurance agents are able to pull up customer's information away from their agency, if a customer needs to set up a claim they no longer have to go see their agent but they can Just call a 1-800 number. The billing process has been streamlined and instead of employees that manually end out bills and renewal notices, when the time comes due, this information is automatically sent out.

Those in the insurance industry as well as many other industries have transitioned from skilled laborers to knowledge workers that manage the systems that process changes and send out information to the customers. In conclusion, technology has not only touched the accounting industry, but has also impacted the insurance industry and many other industries around the globe. Technology allows for fewer inputs to create a better output but can sometimes work to the disadvantage if the technology has not been programmed correctly.