

## **Role of Accounting Professionals in adopting the Accounting Information System (AIS) in an Organization: An Overview**

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### **Abstract:**

Computers are gradually replacing manual systems in all spheres of life and are becoming more important with time. The computer has currently become a crucial tool for business. Accounting Information System (AIS) is a computerized system used by trading and non-trading businesses to gather, store, and process a range of accounting and financial data. Companies use AIS to produce reports on the financial status and performance of the organisation for stakeholders to use in making critical decisions. When AIS records financial transactions, processes them, and presents them to stakeholders as information, it does so with the highest care. It enables a specific employee to access only the data they were given permission to access. In this study an attempt has been made to analyze importance of AIS over and traditional system of accounting as well as to analyze the role of accounting professionals in successful execution of AIS in an organization.

**Keywords:** Accounting Information System, Stakeholders, Retrieve, Computerized

## **Introduction**

Over the past half a century, numerous models or system of collecting, processing and presenting accounting information has been developed. It is a general believe that a new system is developed to overcome the shortcomings and limitations of its predecessor. In old days a business organization used to record and process their financial transactions manually. Manual process was very complex and time consuming process as compared to AIS as because in manual system each and every reports used prepare separately that take too much time and huge accounting knowledge. Often, at present manual system of keeping record is used to provide training for providing a basic knowledge about the overall system as in manual system all reports and financial statements is generally prepared manually. Due to the complexity and time taking attitude of manual process, these days this process is losing their importance while AIS gaining importance in present era. Still proper knowledge of manual system is essential for mastering in computer based AIS. As we know that learning of manual system helps in obtaining basic knowledge as it establish the relationship between cause and effects. Manual process acts as the back bone in acquiring basic knowledge of accounting. This process develops an understanding of internal control activities of the organization, helps in supervision, autonomous verification, audit trails and access control. However, development of technology is essential for development of human life because with the development of technology human civilization gradually develops and social changes arise in the humans which lead to achievement of ultimate goal that is sustainable development. Technological development significantly affects the business organization which leads to economic growth, national stability and public welfare. AIS is a computer based system which is used for tracking the data which are financial in nature using information and communication technology. It is used to collect, record, process and present a summary of financial as well as non financial data's in front of the stakeholders by using that information various internal and external parties can take important decision regarding production, control ,investment and reinvestment. It not possible for any business organization to adopt a new system without taking help from the professional expert of that field, just like that in implementing the AIS replacing the old manual system of accounting, the role of accounting professional professionals can never be ignored. It is accounting professional who acts as designer of the AIS system and also provide framework to map out accounting policies and costing policies, provide guidelines for preparation and presentation of financial reports, provide direction for internal and external auditing, budgeting and budgetary control, inventory control and legal compliance in case of taxation as well as in other cases. The accounting professional by supplying accounting information enables the manager in performing the managerial functions of planning and control, and utilizes the accounting information in solving problems that the management frequently confronts in managing the firm's internal operations.

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## Objectives

1. To identify the importance of AIS over Traditional Accounting in today's business.
2. To analyze the role of accounting professionals in execution of AIS in an organization.

## Importance of AIS over Traditional accounting system

In conventional accounting system a business organization use to record it's all financial and non financial transactions transaction manually by a person who is called as accountant. Generally in old days a qualified person in the field of accounts who can only act as accountant in any organization because in traditional system accountant play very crucial role in recording, classifying and presenting all collected data's in from of information in front of management and other external users of the information in taking essential decisions. In manual system it is only accountant who remain responsible for presenting timely and error free financial reports. This hectic process of recording, analyzing, processing and presentation of financial reports usually require involvement of more than one person to perform all those tasks manually. As the involvement of human is more in manual system, more the chances of error remains in traditional system of accounting due to limited capacity of human brain. In order to overcome all problems of the traditional system many companies have adopted the automated and integrated system of accounting called as AIS. Despite having enormous benefits of this automated system still human interference has not been eliminated fully. It needs human interference only for data entry while processing and reporting are done automatically in automated system. An automated system minimizes error and maintains high level of accuracy in collecting, processing and presenting them to the users than conventional system of accounting. In addition, it helps in keeping the records for indefinite period of time at most cost effective manner that can be accessed from anywhere at any time.

**Time and cost saving:** Book Keeping is a time consuming process which requires ample amount of time to record, classify and summarize the daily business transactions while in AIS all process are done automatically except recording which help to finish the process very quickly and most cost efficient manner due to less human interference.

**Minimizing Errors and Frauds:** Hand-operated calculations have higher risk of errors because it is performed by human being and as we know that human brain has limited capacity and it can easily make any mistake. However, in AIS accounting system, the process of calculation is done using computer software so there is no chance of error in automatic process. It can also easily detect duplicate entries that help in prevention of frauds. As most of the works are done automatically in AIS based system of accounting so, accountant may get more time to think of

the further progress and development of their personal skills, system as well as the organization at all.

**Financial Visibility:** With the aid of an accounting information system, stakeholders may easily keep a closer eye on the company's financial situation. The management can monitor costs and receipts as well as earnings and losses for various corporate divisions and departments. Through a single financial control panel, one may get access to all financial data in one place that saves time and physical work too.

**Asset & Inventory Management:** The asset and inventory management of the business should be coordinated with a well-organized accounting system. This suggests that it must also enable real-time inventory management for the company's assets.

**Authentic real-time data:** Accounting software helps companies to monitor financial data in real-time, allowing them to make the best decisions possible on a variety of issues. The precise sum of money coming in and going out at any time may be quickly determined. Real-time data is highly helpful for developing the best strategies and plans to enhance financial management.

**Decision-Making:** When stakeholders have access to full, accurate, and timely reports, they are better able to make financial decisions for the company. In order to reduce expenses, they can identify which operations are the most expensive. They can also decide whether a company is financially able to expand, hire more employees, try out novel marketing strategies, and other things.

**Backups:** When using a manual approach, there is a genuine risk of data loss. It can be necessary to recreate that work if crucial papers are lost or destroyed. The original work can be copied, although doing so could be costly and time-consuming. The option to save work on a CD, portable or external hard drive, flash drive, or even on internet is available when using a computerized accounting system. As a precaution, many businesses back up their data every night. The backup can be used to restore the data in case something happens the following day.

**Customization:** In general, user-based accounting software enables users to conveniently track their company's financial data and conduct accounting operations from any place. The only need for utilizing the application with a web browser is an internet connection. Additionally, web-delivered accounting software can be accessed via any mobile device, particularly smartphones and tablets. The ability to read financial statements and carry out other needed actions whenever and whenever is granted to users with access rights.

### **Accounting Professional's Role in adoption of AIS**

Since accounting professionals are skilled at identifying and resolving the specific issues that businesses have with corporate strategy, governance practices, risk mitigation, control activities, corporate finance, accounting, and other concerns, accounting experts are essential to the success of any organization. Any company would be lucky to have a competent accountant on staff.

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These individuals approach their task with an open mind because they are conversant with the company's finances. These experts swiftly and successfully tackle a variety of challenging issues by applying their understanding of the business and its surroundings as well as their experience. Their business knowledge enables them to approach complex issues with a realistic and objective perspective. Accounting professionals participate in all organizational activities for the benefit of the business. The accounting professionals act as the key person during adoption of AIS in place of manual method of accounting. They are discussed below.

**Designer of AIS:** Accounting experts act as drivers in the AIS's design. They are regarded as the most experienced and well-equipped individuals for information measurement and information system design. The general consensus is that insiders provide better developmental tools in all spheres of life. As part of the AIS design process, a managerial accounting information system is also created to aid management in making decisions.

**As an AIS Implementer:** Simply designing AIS is enough; accounting professionals must ensure that the designs are actually put into practice. Having procedures in place alone is insufficient; execution and enforcement are crucial. A difficulty with the installation of the AIS that the accounting professional working on it may find is difficult for other members of the organization to communicate to the system designers.

**As an AIS Auditor:** Auditing is crucial for assessing the health of the business's finances and operational effectiveness. Since AIS environments use computer-based tools to conduct audits, auditing in these environments is not difficult for untrained individuals. So, in an AIS-enabled environment, accounting professionals operate as auditors. They also do internal audits, external audits, IT audits, continuous audits, and all other audit-related tasks competently, which necessitate legal compliance.

**As an AIS User:** Yes, shortly after the system's successful introduction, accountants were AIS's first users. Accounting professionals actually play a crucial part in the overall evaluation of the system during testing after implementation as well as in teaching junior staff members to run the system efficiently within the adopting firm.

**As a decision Maker:** Many accounting professionals are now categorized as users of accounting information systems since, from the perspective of the business today, accountants become more involved in overall decision-making. They gather, process, produce, and store accounting data, such as financial statements, using the AIS. Additionally, while serving as financial planners or investment accountants, accountants rely on their understanding of AIS to do thorough fundamental analyses of financial data.

## **Conclusion**

Now a day application AIS has received special attention from technology and economic specialists due to its numerous benefits over and above the traditional system of accounting. Countless institution are gradually activating computers to their system to introduce AIS in their organization to endeavor the benefit of information technology because of its increased efficiency and high productivity as well as due to need of the hour, particularly in the field of accounting which use communication technology to improve interaction among the users of accounting information. Successful Implementation of any system mainly depends on skilled personnel who take responsibility on his own shoulder to perform the entire duty related to implement a new system for an organization. So, here accounting professional play key role in designing, testing and implementing AIS in an organization to gain from information and communication technology for smooth flow of reliable and error free accounting information among different users.

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