

Machine Learning 2018: Will machine learning, blockchain and other 4th industrial revolution technologies disrupt the audit industry?- Ahmed AlMaqabi- CEO of Almaqabi

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Almaqabi is investigating the utilization of blockchain, AI, computerized reasoning, computerization and Internet of Things (IOT) in review. Division of eAuditchaincentre around fourth modern transformation advancements answers for banks and money related institutions. Blockchain Audit Council was announced as of late to help top administration of organizations and bank comprehend the effect of fourth modern insurgency advances on how it will change the manner in which we live, work and collaborate with one another. Almaqabi won and perceived in provincial rivalries including AIM start-up roadshow rivalry composed by Dubai Ministry of Economy.

Since last couple of years, the ongoing development in the area of artificial intelligence and blockchain technology has been creating a chaos about the future role of accountant and audit professional. Comparing to other industries it's a relatively a new concept in accounting arena but gaining a momentum at very fast pace. Big four accounting firms are already deploying the artificial intelligence in some of the areas. Lately, they have invested heavily in the research and development of these technologies with the sole objective of introducing these technologies in day to day accounting and audit operations. The aim of this paper is to provide an overview, the implications these technologies will have on accountants, auditors and auditors/audit process. And also to shed a light on the skills that the professionals will be required to equip with to survive in the industry. A comprehensive review is impossible and beyond the scope of this paper, due to the pace of development in the technology and limited access to the literature. The real life industry examples discussed here should provide the impetus to accounting students/professional to get ready for

the changes and to equip themselves better with the skills that will be sought after in the period ahead.

Since the inception of accounting, the role of accountant has undergone several changes from counting and keeping the stock records to predict future financial trends of the entity. But till date the professional are treated as a compliance specialist. Lately, in the wake of financial frauds that happened across the countries, the profession is losing its reputation. Peterson (2017) mentioned that "A conventional wisdom is gradually developing that the audit is largely irrelevant to the investment process today".

Accountants and auditor work has been defined as the post mortem of the past transactions which has a little impact on the future operations of an entity. In the globalised trade the businesses generally prefer problem-avoidance and problem-containment to problem-solving. But currently the professional are reactive in nature rather than proactive. However, the latest trends in technology have the potential to automate most of the recording aspect which may lead to change the job profile of accountant. When technology will take over the mundane task, the professional has to be proactive to survive in the industry (Susskind 2015, p. 108, ACCA, 2016). These technologies could prove a helping hand to boost/maintain the confidence in audit process which had waned since 2008 in the wake of the global financial crisis. The blockchain and artificial intelligence are forward looking technologies that provide real time data and can contribute to change the future course of action (Smith, 2017).

Nixon (2016) is of the view that since the introduction of double entry system, innovation was stalled in accounting. The only change according to

him is “things that used to be done on papers, shifted to computer”. However, the new technologies have the potential to take this profession to new level that has never witnessed before. Researchers and developers had termed it as the ‘Fourth Industrial Revolution’. The notable components of fourth industrial revolution are ‘Artificial Intelligence’ and ‘Block Chain’ technology (Schwab, 2018). The Blockchain has been labelled as the fifth pillar in IT revolution after mainframes, personal computers, Internet, and social media (Thakkar, 2017).

The Institute of chartered accountants in England and Wales (ICAEW, 2017) commented that “in short to medium term AI will deliver more value to the business, aligned with opportunities for accountants to improve their efficiency. However, in long run radical changes will happen and machines will be replacing the human beings by taking over the decision making tasks”. In the wake of these technologies public perception about this profession will be change from ‘part of the problem’ to ‘guardians of integrity’.

Biography:

Ahmed AlMaqabi has finished his CPA tests at 22 years old years from California Board of Accountancy. He is the Founder and CEO of AlMaqabi, a beginning up driving blockchain in review and banking industry in Middle East. He has over 10 years Big 4 involvement with USA and Middle East.

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