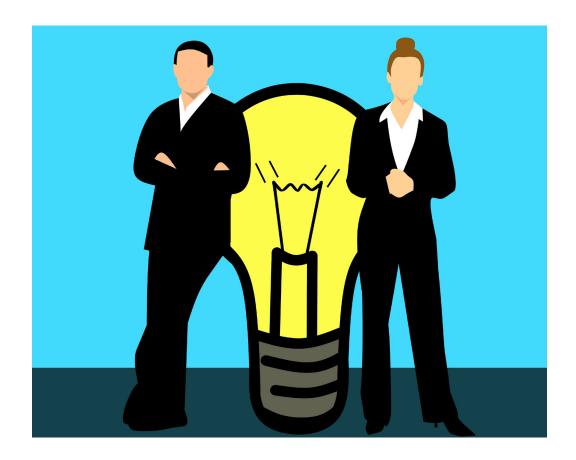# WHAT ACCOUNTANTS COULD DO NEXT

A conversation with Matthew Campbell
Audit Chief Technology Officer, KPMG UK

Extract from a book commissioned by:

iplicit

Powerful Accounting Software

Introduction

If technology has resulted in arm's length commodification of services, is it also providing the accountancy profession an opportunity to develop a closer relationship with the client?

A book commissioned by iplicit, to be published by DECISION magazine, looks at how IT has a role in enabling a practice to add value, whether in fact technology can assist the migration to providing a more advisory role and service to the client.

This is one of the papers to be included.

More in-depth and interesting

• How is an accountancy practice able to provide value-added to the client in service areas which are becoming more commodified and price driven? Can technology assist the migration to providing a more advisory role and service to the client?

Matthew Campbell, Audit Chief Technology Officer, KPMG UK: "For me, I don't think audits have to become commodified. There is a huge investment in technology, with the primary focus on audit quality, which is empowering accountants and is a real positive. In the past, an auditor would select a random sample of invoices for example, but now technology allows them to download billions of transactions and will bring to their attention any unusual and high risk items they should focus on.

"It makes accounting really interesting and enables the auditor to have a more in-depth conversation with the company we are auditing. Yes, you can apply technology to simply automate, but you can also use it to provide an enhanced service, better deploying the inquisitive mind of the accountant. In other words, the human interaction is not being replaced but enriched."

Matthew Campbell

• Is there a risk that the actual functionality of accounting software is becoming commodified, and that ironically companies are getting less sophisticated information at a time when there is growing complexity?

Matthew Campbell: "We can look at this through two lenses – technology applied by the companies we audit and also by the auditor.

"I would argue that the complexity of capabilities we are able to deploy is a differentiator – artificial intelligence, robotics, data automation – which means that the future skillset at an accountancy firm is going to be part auditor and part data scientist.

"So we have been putting people with an audit qualification onto MSc courses in advanced data science so they will become the accountants of the future. They will have a combined

understanding of technology, accountancy, and business insights. Without that we would be deploying great technology which people would not be able to fully engage with it.

"On the side of the companies we audit, they are getting more data as their records are digitised; the risk is that with so much information available, how will they be able to identify what is the right data to focus on, being able to see the wood for trees? So they will need new skillsets to best respond to what is available to them.

"I'm also really conscious that companies can still be using legacy systems. I've seen examples of companies which numerous ERP systems in play, none of which talk to each other particularly well."

• Where, in your experience do companies fail to get the best out of their accounting software, and why? And what specifically do mid-tier organisations require which isn't being met by entry or enterprise level accounting software?

Matthew Campbell: "I come back to the point that while there is so much data available, it needs to be presented in a digestible way rather than the user having to search for the detail in the system.

"At the moment there aren't enough people who have the combined understanding of finance, accounting, and technology

in anything like equal measure. That can result in companies not appreciating the value, the great insights they can get from their software.

"And too often, pre-built controls in the software are not being used, such as, for example, identifying and automatically blocking an invoice if it doesn't have the right approvals."

- **Where might IT add value to the accountancy practice going forward?**

Matthew Campbell: "The primary focus for us is to deploy IT to drive quality. Technology delivers more assurance if an auditor is looking at totality rather than sampling. IT can help deliver a better audit and a better understanding of the companies we audit.

"There's an interesting debate to be had. An audit partner traditionally would have had hands-on experience of actually undertaking and reviewing work which is now processed with automation.

"So while we need to equip people with the skills I've outlined, they won't have the experience of physically doing those tasks which are now automated by IT, and the question is whether that actually has an impact on their understanding of the tasks in question."

· From your experience or observations, what are the catalysts which prompt a mid-tier company to introduce new software?

Matthew Campbell: "The emerging Generation Z is the first to fully engage with technology, so to attract talent, providing them with the latest IT is a real win factor. The cost of making the investment in a new system is going to be an issue and in terms of complexity, integration can be a difficulty especially when a company is growing by acquisition and is faced with bringing on board different systems. Of course that requires a specific skill set to understand the information flow between systems.

"The inability of legacy systems to deliver what is required today is another trigger, and technology is moving so quickly that 'legacy' today is not necessarily that old."

- **What are the issues which affect the decision-making process and timing – risk, worry about disruption at a time when organisations are increasingly busy, inherent reluctance to change, 'nobody got fired for buying IBM' syndrome, – and how in your view are they best addressed?**

Matthew Campbell: "You have to balance the risk of taking too long to bring technology into play against knowing whether it is robust enough. We invest a lot of time in reviewing, testing, accrediting new IT because there is a risk in deploying technology if there isn't sufficient confidence that it is going to deliver what it is supposed to do.

"With any new technology there will be people who want to embrace it, others who will be on the journey once they see the benefits, and then the laggards who are simply reluctant when it comes to change.

"In my experience, it isn't enough to make sure the case for introducing new technology is clearly articulated, or whether it is mandated or not. You also have to win hearts and minds.

"I think there is more willingness to engage now, and Covid-19 contributed to that because people experienced first-hand

continual disruption and were able to cope with it. We have nearly 7000 auditors who virtually overnight switched to working from home during the pandemic. Who could have predicted that?

"The key thing is getting people hands on with new technology. You can talk to them about the theory, but when they are actually using it they can see if it is easy to engage with."

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Matthew Campbell, Audit Chief Technology Officer, KPMG UK was in conversation with Larry Dillner, editor, DECISION magazine, and Paul Sparkes, commercial director, iplicit, for one of a series of papers to be published as a book in 2023.

About iplicit

Providing a cloud-based finance and management software solution that allows businesses to focus on what really matters. Tailored for those frustrated by on-premise legacy software, iplicit provides greater flexibility and enhanced levels of reporting, integrating with other cloud applications for a seamless migration path from a user's existing system, enabling organisations to 'step up' to next generation finance software without losing the functionality they currently enjoy. iplicit received the Accounting Excellence award for mid-market and enterprise software of the year in 2020, and the top product for enterprise accounting/ERP in the Accounting Web software awards, 2021.

124 City Road, London EC1V 2NX
County Gates House, 300 Poole Road, Bournemouth BH12 1AZ

0207 729 3260
info@iplicit.com
iplicit.com

Unit F7 Riverview Business Park, Nangor Road, Dublin 12, Ireland
info@iplicitireland.com
(+353) 1 592 0850

About DECISION magazine

First published in 1988, DECISION magazine reflects the business lifestyle, the trials and tribulations, the hopes and aspirations of directors and managing partners responsible for businesses with a turnover of £5million and above across the south of England and London.

07737 308371
mail@decisionmagazine.co.uk
www.decisionmagazine.co.uk