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An Application of Artificial Intelligence (AI) is to Enhance the Practices of the Financial Management System

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Abstract: *Artificial Intelligence (AI) refers to machines that have been programmed to mimic human intelligence, including learning and problem-solving abilities. These machines can be considered as having a "machine mind". The ideal attribute of artificial intelligence lies in its capacity to engage in rational decision-making and select activities that offer the highest probability of success in a clearly defined objective. Machine Learning (ML) is the idea that computer programs can autonomously acquire and adjust to new information without human intervention. That might be a series of computations. Deep learning algorithms enable autonomous learning by processing large amounts of unorganized information, including text, images, and videos. Systems possessing strong computational capabilities are able to do tasks that are deemed to be similar to those performed by humans. These systems tend to be highly sophisticated and intricate. They are designed to alter conditions when problem-solving is required, but without any human intervention. These solutions are adept in improving the Financial Management system and simplifying its operations*

Keywords: Artificial Intelligence, Machine Learning, Financial management system, accounting, Auditing

I. INTRODUCTION

Artificial neural networks are employed in the healthcare sector as clinical decision support systems for medical diagnosis. Furthermore, the utilization of computer-assisted and automated testing, along with patient evaluations, is experiencing an increase. Utilizing voice and facial recognition technology enhances the protection and safeguarding of both residential and commercial premises. Companies such as Tesla, Apple, and Google are endeavoring to revolutionize the automotive industry by employing AI technology to develop autonomous vehicles. Computers facilitated the transition of accounting information systems from traditional paper journals and ledgers to digital representations. Regrettably, in several cases, the efforts were limited to the development of computerized systems that just utilize computers as enhanced tools for calculations or document processing. Consequently, accounting databases sometimes transformed into substantial repositories of information for specific accounting tasks. Accounting tasks sometimes involve making decisions that can be categorized as organized, semi-structured, or unstructured. Auditing and assurance involve making decisions and doing analyses that are not well-defined and are uncertain because of risks and a lack of knowledge. The discussion highlights the influence on several factors that ultimately enhance productivity.

Accounting, often known as accountancy, is the practice of monitoring, processing, and distributing financial and non-financial information on economic entities such as enterprises and corporations. Accounting is used to measure the outcomes of an organization's economic activities. It is often called the "business language" because this information is communicated to various stakeholders such as investors, creditors, managers, and regulators. Accountants are those who engage in the practice of accounting. Financial accounting, tax accounting, cost accounting, and management accounting are among the various subfields of accounting. Financial accounting aims to report an organization's financial data, which involves generating financial statements. Management accounting primarily focuses on the measurement, appraisal, and reporting of data for internal use by management. An audit is a thorough review and inspection of many books of accounts, followed by a physical inspection of inventory, to ensure that all departments

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adhere to a specified system of documenting transactions. An auditor is an individual who does audits. It is performed to ensure the accuracy of the organization's financial accounts.

II. LITERATURE REVIEW

Martinez, in the year 2019 Consistent with his analytical interpretation of AI, a broad definition is commonly utilized in various contexts and applications, provided that it is adaptable and accounts for the current advancements in autonomous AI. The author emphasized the significance of a legal definition in this context. Within the study, he also emphasized the limitations of the Black's Law lexicon, a statute from the state of Nevada, and the current definitions of computer science in the state of Louisiana.

According to Davenport & Ronanki (2018), as stated in their Harvard Business Review article, firms should prioritize the business capabilities of AI over its technical skills. AI can help organizations achieve three main objectives: automating company procedures, generating insights through knowledge analysis, and fostering engaging interactions with consumers and personnel.

In their 2020 study, Chukwuani & Egiyi examined the impact of computer technology on the accounting business. By doing this, they unequivocally demonstrate the numerous advancements in the accounting industry regarding the automation of accounting processes. The text discusses the role of accountants in modern automation and how accountants in the 21st century will benefit from the industry's extensive automation.

Kokina & Davenport (2017) established four teams to categorize the many applications of AI, and an additional four teams to categorize the current state of intelligence in the sector. The programs assess information, process textual and visual data, execute computational tasks, and carry out physical tasks. The classes for levels of intelligence include human support, automation of repetitive tasks, context awareness and learning, and conscious intelligence. No AI programs have achieved conscious consciousness yet, although they can do certain accounting and auditing duties using the other three degrees of intelligence.

III. METHODOLOGY

This research is based on secondary data. Secondary data is collected by analysing and summarizing information from other sources such as multiple websites. The survey questionnaire comprises the following list of questions:

1. Can artificial intelligence be applied in the domains of auditing and accounting?
2. Following the implementation of automation, do you believe that artificial intelligence has the potential to supplant the roles of auditors and accountants?
3. Should we take into account the risk factor in accounting solutions that utilize AI?
4. Do you consider the risks to privacy and safety as significant concerns associated with AI?
5. Which country excels in AI technology?
6. In your opinion, do you believe that AI is the most suitable option for the future?

IV. CONCLUSION

Ultimately, machines will assume dominion over all aspects that can be converted into data. The effectiveness of artificial intelligence (AI) in automating corporate activities is dependent on how effectively individuals utilize it, similar to databases and spreadsheets. Artificial intelligence is incapable of assuming the responsibilities of accountants and auditors in terms of employing human creativity and discernment.

Financial managers must be prepared to promptly respond to shifts in user demand and the emergence of novel organizational performance indicators that go beyond traditional financial statements. As the auditing profession progresses beyond the traditional apprenticeship model and moves towards more specialized sectors, it becomes necessary to implement centralization and standardization. Accountants and auditors will have a resurgence in the coming decades, offering ample opportunity for individuals to drive innovation and progress. The approach of engagement teams in conducting audits will undergo changes as technology and analytics advance. The increasing utilization of new technology necessitates auditors to rely on their judgment and professional scepticism to a greater extent than before. Artificial intelligence will not supplant accountants in the realm of accounting; rather, it will alter

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the focus. The future of human experts is unlikely to be eliminated, regardless of the extent of disruption caused by AI. Therefore, it is imperative for our society to persist in utilizing AI to prioritize efficiency and value above all else.

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