AUTOMATING EXCELLENCE: HOW RPA IS TRANSFORMING THE AUDIT & COMPLIANCE INDUSTRY

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Understanding the Power of RPA: A Digital Revolution in Professional Services

In the rapidly evolving professional services landscape, Robotic Process Automation (RPA) has emerged as a transformative force, reshaping operational paradigms and redefining how businesses approach critical tasks. As professional services firms in accounting, legal, consulting, and engineering navigate the complexities of a digital-first era, the strategic adoption of advanced automation tools like UI Path, Power Apps, and Blue Prism has become imperative for sustaining operational excellence and ensuring a competitive edge in the market.

Intricate workflows, data-intensive processes and stringent regulatory frameworks characterize the professional services sector. RPA can serve as an effective catalyst for streamlining operations, enhancing productivity and quality and optimizing resource utilization. By automating mundane and repetitive tasks that traditionally consume valuable human capital, RPA empowers professionals to redirect their focus toward strategic initiatives, data-driven insights and client-centric solutions. Furthermore, RPA augments process efficiency and fosters a culture of innovation and agility, enabling businesses to adapt swiftly to evolving market dynamics and emerging client demands .

It's no surprise then that the global RPA market was valued at USD 2.3 billion in 2022 and is projected to expand at a CAGR of 39.9% from 2023 to 2030[1]. Notably, the professional services industry stands out as a key driving force behind this significant market growth with a ramp-up in their RPA investments. A recent survey states that the average investment is $5 million, with larger organizations spending as much as $10 million to $20 million annually[2]. Though many companies are in the early stages of RPA implementation, every surveyed company said they plan to expand RPA usage in the next two years.
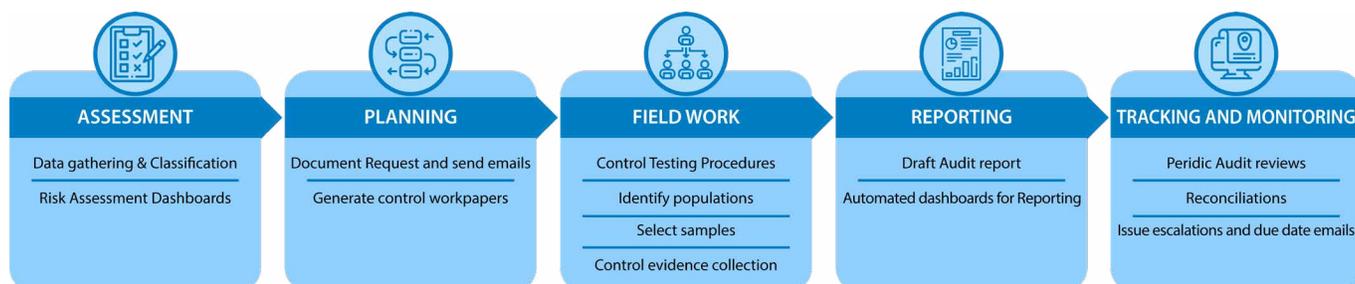
Repetitive Processes in Professional Services/ Streamlining Operations: The RPA Advantage

Businesses with many repetitive tasks are excellent candidates for automation using RPA. A good reason it is needed is because globally, people spend a significant 4 hours and 38 minutes per week or about 10% of their work time on an average on duplicate tasks[3]. In such cases, RPA can significantly benefit by automating tasks such as data entry, invoice processing and customer service. Reducing the hours spent on non-billable work could help determine profitability for a professional services firm. A KPMG report states that RPA can reduce costs by 40% - 70%[4], giving a glimpse of what can be gained. Moreover, data from PwC further justify the RPA case. First, it is possible to derive ROI rapidly (average 6-9 months). Second, RPA software costs only a fraction of an FTE and can work 24/7/365 with zero investments in customization. Finally, it promises better and faster service delivery (up to 100% accuracy rate and reduction of up to 90% in cycle times)[5].

The typical repetitive processes in the audit/compliance/risk programs include data gathering, sending emails and documents, identifying populations and selecting samples, dashboards and reconciliation reports. The processes that can be considered for automation are -

- **Data Gathering:** RPA automates standard steps in audit engagements, like gathering data, including prior audit findings, during the risk assessment phase.
- **Sending emails and reminders:** RPA in audit can automate the process of sending emails, setting up meetings, and sending reminders, which can help to improve client service and make the audit process smoother for all involved.
- **Auditing entire Populations:** RPA can help audit entire populations rather than just samples. Tests can be run consistently and automatically to get results that can be analyzed for an exception or anomaly in the test.
- **Reconciliation of data and Reporting:** RPA can be configured to perform data reconciliation from a different system, which could save hundreds of hours during each audit.
- **Automating repetitive tasks:** RPA can automate repetitive tasks such as queries, cut/paste, merging, and button clicks. It operates in the user interface layer and can automate rules-based work without compromising the underlying IT infrastructure.

Automation Opportunity across audit lifecycle

ASSESSMENT	PLANNING	FIELD WORK	REPORTING	TRACKING AND MONITORING
Data gathering & Classification	Document Request and send emails	Control Testing Procedures	Draft Audit report	Peridic Audit reviews
Risk Assessment Dashboards	Generate control workpapers	Identify populations	Automated dashboards for Reporting	Reconciliations
		Select samples		Issue escalations and due date emails
		Control evidence collection		

Need for Automation/ Catalyzing Change: Key Factors Propelling Automation in Professional Servicese

RPA in the professional services industry is driven by the need to improve efficiency, reduce costs and enhance customer service, according to research[6].

- **Consulting:** RPA can automate tasks such as data analysis, report generation and project management, helping consulting firms improve their productivity and provide better services to their clients.

- **Accounting:** RPA can automate tasks such as data entry, invoice processing and account reconciliation, helping accounting firms save time and money and improve the accuracy of their work.

- **Legal:** RPA can automate tasks such as contract review, legal research and document processing, allowing law firms to improve efficiencies and reduce the risk of errors.

- **Engineering:** RPA can automate tasks such as design reviews, data analysis and project management, enabling engineering firms to improve efficiencies and reduce the time taken to complete projects.
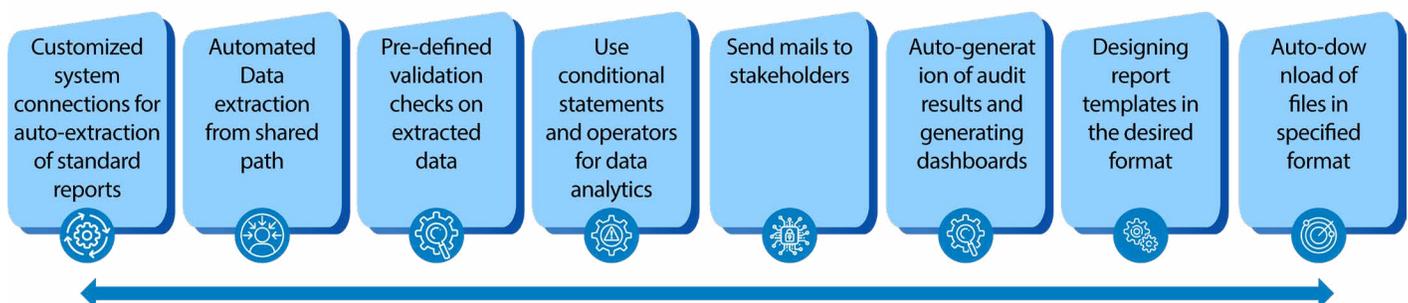
The Multifaceted Advantages of RPA

Some of the benefits of RPA are:

- Faster and more accurate data collection - it can automate data collection from various sources and consolidate it into a single system for further analysis.

- Improved efficiency – It can generate standard reports, update records, prepare documents, send emails and more. This simplifies auditors' jobs and reduces the risk of human error.

- Increased quality - By automating critical tasks, auditors can ensure that all steps are covered, and data is collected accurately.

- Fraud detection - RPA in audit and compliance can compare data across multiple systems to spot discrepancies.

- Enhanced productivity and cost reduction – It can minimize efforts on audit execution, saving person days and ensuring cost reduction.

Examples of functions handled by RPA

| Customized system connections for auto-extraction of standard reports | Automated Data extraction from shared path | Pre-defined validation checks on extracted data | Use conditional statements and operators for data analytics | Send mails to stakeholders | Auto-generation of audit results and generating dashboards | Designing report templates in the desired format | Auto-download of files in specified format |

Future of RPA/ The Next Frontier in the RPA Journey

It is clear that RPA has a tangible impact and will play an increasing role in professional services businesses. Given that, it is essential to understand some emerging trends outlining this technology's future. Some of the relevant trends include:

Fusion of RPA with Artificial Intelligence (AI)

While RPA focuses on automating repetitive tasks and AI on simulating human intelligence, these technologies are expected to converge more closely. This symbiosis will lead to the creation of smarter bots capable of making decisions based on data analysis and learning, elevating the complexity level of tasks that can be automated.

RPA as a service (RPAaaS)

Being a cloud-first resource, RPAaaS has no transition issues associated with on-premise platforms, making the service bite-sized, flexible and scalable. With no prohibitive license and infrastructure costs and no restrictive lock-ins, RPAaaS has become a convenient tool of choice in an enterprise's automation strategy.

Automation of Bot creation Itself

In a meta-technological twist, we can expect to see the automation of bot creation and optimization. It implies that bots could design and refine other bots according to changing company needs.

Adapting to Change: A Strategic Imperative

Overall, the RPA market in the professional services industry is expanding rapidly and keeping pace with the increasing demand from businesses. By embracing RPA as a transformative tool for operational enhancement, professional services businesses elevate service quality and deliver better value to their clients. Businesses and industry professionals must stay alert to these trends and adapt quickly to a landscape that will undoubtedly change how we operate and do business.

References

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