THE IMPACT OF ARTIFICIAL INTELLIGENCE ON ACCOUNTING

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Abstract.
The paper discusses the possibilities of using artificial intelligence in accounting. The focus is on new skills and capabilities needed for employees. The best artificial intelligence accounting programs are described, opinions are formed, and conclusions are drawn on how ready Georgia is for global changes. Artificial intelligence accounting software is a tool that uses AI technologies to improve the automation of various accounting processes. Today, artificial intelligence has all the potential to transform the work process. The use of artificial intelligence in accounting can automate processes in this area, forecast revenues and budgets, identify and prevent fraud, and analyze and monitor risks. With the help of artificial intelligence, it is possible to conduct audits more efficiently and accurately, process large amounts of data, and detect anomalies in financial records. Predictive models with artificial intelligence can help companies assess credit risk, optimize investment portfolios, and use costs efficiently. The mass use of artificial intelligence, not only in Georgia, but throughout the world, is still lacking. There is a lot of work to be done in Georgia in terms of awareness-raising, technical and organizational readiness. Artificial intelligence has the potential to transform the economy in many ways.However, there are also significant threats and risks, in terms of job displacement, inequality, and international competition. The full potential of artificial intelligence will only be realized when policymakers, industry leaders, and society as a whole work together to create ethical and fair conditions for the development and use of artificial intelligence. With such approaches, artificial intelligence can bring great benefits to everyone and significantly improve economic growth, development, and well-being.
As AI technology continues to evolve, we can expect to see even more benefits from AI accounting software in the future
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JEL Classification. M4, M41, M42, O32, O33

I.Introduction

As businesses develop, the volume and complexity of financial data grows and changes.Current accounting processes are laborious, inefficient, and prone to errors. The need for the use of artificial intelligence in accounting is obvious. Its application in accounting processes reduces errors and increases productivity. Accordingly, the emergence of artificial intelligence in accounting has brought about a significant transformation in accounting processes.

Artificial intelligence accounting programs can automatically create all necessary financial documents: balance sheets, profit and loss statements, and other comprehensive income and cash flow statements. These tools can detect transactional errors and promptly correct them. The software simplifies accounts and automatically splits income and expenses. These systems can rapidly input data into the program, process invoices, reconcile records, and execute transactions. Naturally, automation reduces the risk of human error and increases the accuracy of financial reporting.Complex algorithms in accounting programs analyze huge streams of data, distinguish patterns, and detect anomalies that may go unnoticed by a person during their work.For example, an artificial intelligence algorithm can analyze any historical transactions, flagging suspicious activity before it escalates (Tsiklauri-Shengelia, 2024).This enhanced visibility into algorithms allows companies to take action when necessary.Ultimately, AI accounting software ensures companies can manage their finances quickly and with confidence. The advantages of artificial intelligence should be broadly communicated.

II.Research Methodology

The paper is based on qualitative research. The research used global research results, expert opinions, the best artificial intelligence accounting programs, European Union regulations, and web page materials. As a result of technological development in the world today, platforms have been created that create services based on artificial intelligence. According to experts, the process is unstoppable; a country that is not ready to accept such global changes will naturally fall behind in the digital transformation process. According to a report by the Center for Data Innovation, the United States and China are currently leading the development of artificial intelligence. The United States has a slight advantage in terms of research and development, while China leads in terms of uptake. Canada and the UK are also investing heavily in artificial intelligence and are likely to become more competitive in the future. (www.whitehouse.gov.) As a result, there will be intense competition between countries to develop and use artificial intelligence technology, which could lead to economic and geopolitical inequalities. To solve the problems, it is necessary to develop strategies to promote international cooperation and ensure the broad sharing of the benefits of artificial intellige

III.Research Results

As of today, artificial intelligence has all the potential to transform the work process.. Its application in accounting can automate processes, forecast budgets, detect and prevent fraud, and enable risk analysis and monitoring.

With the help of artificial intelligence, it is possible to conduct audits more efficiently and accurately, process large amounts of data, and detect anomalies in financial records.As a result, predictive models with artificial intelligence can help companies assess credit risk, optimize investment portfolios, and use costs efficiently. AI-powered chatbots can address customer queries (McFarland, 2025). All of this allows people to be freed from routine tasks and move on to more complex work processes. As a result, the use of artificial intelligence will reduce the time accountants spend on repetitive operations.Instead, they will have the opportunity to engage in high-value activities. Widespread adoption of AI in accounting is not yet a global reality. Our goal was to determine the possibilities of using artificial intelligence in accounting.

There are the following types of questions and opinions regarding this issue: (Pazi, 2024)
1. What is artificial intelligence accounting software? It is a tool that uses AI technologies to improve various accounting processes It quickly enters data into the program, processes invoices, prepares financial statements, performs audits, and reconciles data analysis. It can detect fraud.
2. How can a company choose the best artificial intelligence accounting software?When selecting an accounting program, the company's budget should be considered.The chosen AI-based software should be able to integrate with the company's existing accounting and financial systems. The level of customer support offered by the software vendor and available resources should also be considered — all of which will help the company in its continued use.
3. How will artificial intelligence accounting software work? Artificial intelligence accounting software works by processing and analyzing large volumes of financial data.. It automates repetitive tasks and uses sophisticated algorithms. Algorithms based on natural language processing analyze data and create patterns to identify anomalies. All of this helps make financial decisions valuable to the company's leadership and management.
4. Who will benefit from and use artificial intelligence accounting software? Any business will benefit from using artificial intelligence accounting software. It is most beneficial for businesses with complex accounting processes and large amounts of financial data. It can also benefit companies committed to improving their financial reporting processes. AI accounting programs will change the accounting and financial environment and allow companies to make better financial decisions.
5. What types of artificial intelligence accounting programs exist and what do they serve?
Although companies rarely use artificial intelligence in accounting processes currently, there are several types of programs. The latest AI platforms known today include Dext, Vic.ai, Indy, Bill, TurboDoc, Docyt, Zeni, Blue Dot, Truewind, and Booke (Pazi, 2024). These AI accounting programs improve financial management practices. Each has its own positive and negative qualities and specific features. Some programs serve to enter and process data; some process invoices and classify documents; some prepare accurate financial statements based on reliable data; some set up company audits and detect fraudulent schemes; others have forecasting functions in the financial field.
6. Can a company use free AI accounting software?

This decision is up to the company. Currently, free AI programs are available. Paid programs offer more features, while free programs have limited functionality. Companies should consider their budget and business needs when choosing software.

7.Do artificial intelligence accounting programs have limitations? While accounting programs offer many benefits, they also have limitations. For example, accurate, reliable, and high-quality data is essential for effective operation. AI can automate many tasks but cannot replace the expertise and judgment of human accountants.

8. Are artificial intelligence accounting programs secure? Although AI accounting software is designed with powerful features and protects sensitive data, companies should remain cautious. They should regularly scan their data and use strong passwords to maintain security.

9. Can artificial intelligence accounting programs assist a company's core team, managers, and executives in making financial decisions?

Yes, AI accounting programs can analyze large amounts of financial data, identify anomalies and patterns, and provide valuable insights to assist important financial decision-making.

Is Georgia ready to introduce artificial intelligence in accounting? **We have highlighted the most important aspects:**

Document classification: AI capabilities play a major role in document scanning and classification. OCR (Optical Character Recognition) technology allows for automatic text recognition. If a company has a lot of invoices, OCR systems can extract data from the documents (name, date, amount), and process them into assets and liabilities. AI algorithms learn from each document; the more information they use, the more efficiently they classify documents.

Automated reporting – AI can not only automatically classify transactions, but also automatically generate and update financial reports. AI can create standard annual financial statements, supporting reports, as soon as transactions and data are completed. A company does not need to manually create a report every month, as the AI process will create it automatically.

Automated tax pre-verification – AI systems will collect information about current taxes. They will pre-verify payments and non-payments and automatically generate reports. Missing important payments will no longer be a problem. AI will be able to detect these errors automatically at certain moments. This will help companies avoid penalties resulting from non-payment. Intuit's QuickBooks is one of the best examples of how AI is being used in accounting processes today. It automatically classifies transactions, quickly creating income and expense reports. This platform helps users manage their payments. The system is built with AI-powered chatbots, providing users with support for their financial needs.

AI in accounting: ethical and legal issues– The use of artificial intelligence in accounting is not just a technological process. It requires new approaches based on ethical and legal standards. Data processing by AI creates risks such as:

1) Risk of data leakage, 2) Improper storage of personal information caused by the use of unverified platforms. To mitigate such risks, companies should use certified and secured AI systems that comply with international data protection standards. When an AI algorithm used in accounting makes a mistake, the question naturally arises of who is responsible. The programmer who created the system, the accountant who used it, or the company who implemented it. These questions have not yet been fully resolved, although we can say that the company's management is responsible for selecting and monitoring the technology.

Where is the ethical line on changing a person? When implementing AI systems, the question often arises: will "machines" replace human accountants? There are the following ethical challenges here:

1) Violation of human dignity and fear of the disappearance of the profession.
2) Job cuts in small and medium-sized companies
3) Unclear protection of labor rights in automation processes.

We think there needs to be a balance here – AI should be used to support humans, not completely replace them. In Georgia, as in many countries, the introduction of AI technologies is inevitable. It will especially help small and medium-sized companies with their accounting processes. AI technologies will correctly manage cash flow statements. This will contribute to financial stability and effective risk management. As of today, Wissol Group is one of the leading companies using artificial intelligence to optimize financial and accounting processes. The company use algorithms to automatically process transactions, as well as analytical models that help companies predict prices. AI systems constantly monitor and analyze production and inventory costs in various directions. This allows companies to identify undesirable financial trends and spot excessive costs in a timely manner. Artificial intelligence also takes into account sales forecasts, seasonality and logistics, as well as weather conditions. Which helps companies

reduce inefficient purchases and excess inventory. The system alerts the management team about overdue obligations, thereby ensuring the avoidance of penalties and financial discipline.

There was such a case, Wissol Group, built-in AI chatbot, when processing expenses, the employee's birthday dinner was specified with the following text: „Happy Birthday, Giorgi! Looks like you had a nice dinner, shall we categorize this under Entertainment?"- Which appeared directly in the financial statements the accountant found it so funny that the incident was considered the first "emotional" message from the financial system.

The mass use of artificial intelligence, not only in Georgia, but throughout the world, is still lacking. So, if any new regulations are adopted in the European Union, they need to be implemented correctly and accurately in Georgia as well, so as to avoid certain delays in technological development. The European Union is more prepared to do this, to establish maximum monitoring, for example, on data acquisition, its transparency, etc. The most important thing is the protection of personal data, a balance that the European Union will implement by 2025, Georgia will probably join this great cause later. (Tsiklauri-Shengelia, 2024)

According to various recent studies, artificial intelligence is expected to generate economic benefits of up to 10-15 trillion by 2030. For example, according to a study conducted by McKinsey, artificial intelligence will generate between $3.5 trillion and $5.8 trillion in output annually. **(www.whitehouse.gov)**. And according to an Accenture report, artificial intelligence has the potential to increase labor productivity by up to 40% by 2035. **(www.academia.edu)**

IV.Conclusion

Artificial intelligence accounting software is a powerful tool that can change the way businesses do accounting. It automates repetitive tasks, provides valuable financial data insights, and helps businesses make more informed financial decisions. As AI technology continues to evolve, we can expect to see even more benefits from AI accounting software in the future. Thus, artificial intelligence has the potential to transform the economy in many ways, However, there are also significant threats and risks, in terms of job displacement, inequality, and international competition.

The full potential of artificial intelligence will only be realized when policymakers, industry leaders, and society as a whole will work together to create an ethical and fair framework for the development and use of artificial intelligence.

With such approaches, artificial intelligence can bring great benefits to everyone and significantly improve a country's economic growth, development, and prosperity

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