

Blockchain in Accounting & Audit



1

SECURITY & TRUST

In blockchain, every transaction is recorded as a "block" that contains a timestamp and a unique "fingerprint". Hacking an entire blockchain is almost impossible. No one can hack all the computers connected to the ledger network.



2

CONSOLIDATED BOOKKEEPING

Rather than keeping separate records based on transaction receipts, firms can write their transactions directly into a common register. This will create an interlocking system of consolidated bookkeeping.



3

STANDARDIZATION IN AUDITING

Because of immutable standardization in the accounting practice, auditors will be able to verify larger amounts of data much faster. Therefore, the cost and time necessary to conduct an audit would decline.



4

BLOCKCHAIN TRIPLE-ENTRY ACCOUNTING ERA

Blockchain supports triple-entry accounting. This system adds another step ensuring that all transactions are written to a blockchain. The triple entry is specifically for blockchain and is cryptographically sealed to protect all involved parties.



5

LESS PAPERWORK FOR ACCOUNTANTS

Blockchain may decrease or eliminate the dependency on paperwork in the future. Since the government can monitor a public ledger at all times, companies will no longer need to file tax returns. Thus, everyone may be automatically taxed accordingly – fairly and squarely.



6

REDUCED COST

No matter what system is used - a reduction in errors and an increase in efficiency results in reduced cost. When making the switch from conventional accounting systems to the blockchain, accounting firms can expect to see cost savings quite quickly.



7

REDUCED ERRORS

Data entry is one of the areas where blockchain can help a lot. It's where chances of human error are highest. Blockchain can significantly reduce the number of human errors, by making most accounting functions automatic.



8

IMPROVED EFFICIENCY

Blockchain could be designed to be more efficient than legacy accounting software. It's more challenging to get data into and out of accounting software. Blockchain is a much faster and more robust database.



9

SMART CONTRACTS

Will completely change how accounting works! How? By replacing normal financial transactions and doing away with third-party intermediaries, such as lawyers.



10

NEW SERVICE LINES WILL BE OPENED

With the increased access to client's data and more efficient audits, the door will be open for a higher value and highly insightful advisory services. This is where blockchain will help drive the change in the profession as well as open up the doors to being able to provide true value to all clients.



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