

FINANCE, ACCOUNTING, AND TAXATION PRACTICES TOWARDS SUSTAINABLE DEVELOPMENT GOALS

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Abstract

Being a Finance Leader in today's world is quite different from what it was, even 10 years back. The demands of a fast-paced, interconnected world have expanded the Finance Leadership's role into a whole new direction and dimension. There is more data to be captured and more tools to make life easier. But technology can also be overwhelming.

With such a wide array of options, Finance Leaders need to educate themselves on the latest accounting innovations to help their companies become smarter and save time and resources.

Purpose:

The purpose of this paper is to establish and advance the role of academic accounting and innovations in Finance, Accounting, and Taxation in the pursuit of the United Nations Sustainable Development Goals (SDGs), which are regarded as the most salient point of departure for understanding and achieving environmental and human development goals up to (and beyond) the year 2030. Adapting the right technologies will play a key role in the digital transformation process. It will help scale a sustainable business, stay competitive in the long run, and assist in the achievement of the UN Sustainable Development Goals which has become a global priority.

Design/methodology/approach:

This paper provides a combination of innovations in Finance, Accounting, and Taxation on sustainable development and integration of this with accounting for sustainability literature. In addition, potential finance and accounting research contributions are proposed in order to support the initiation and development of new research directions.

INTRODUCTION

Emerging accounting technologies are custom designed to bring efficiency, transparency, and scalability to the accounting function, and in turn, the businesses they serve. Innovations in accounting are a great investment toward building more sustainable businesses for the future. It also helps in the achievement of the Sustainable Development Goals (SDGs). It brings a competitive edge and creates a more informed, tech-savvy workforce. Hence, it is advisable for every modern CFO to become savvy with innovations in Finance, Accounting, and Taxation that can truly help them transform their businesses and attain the SDGs.

The 17 United Nations Sustainable Development Goals (SDGs) were designed to create a vision for achieving a sustainable future. An international framework was formed to help countries with their development efforts. Furthermore, it is intended to create a sense of accountability and pressure that allows positive progression toward sustainable development. The SDGs target developing or less developed countries by urging richer nations to support programs in the less deprived or developed regions.



<https://naturalfarming.niti.gov.in/sustainable-development-goals/>

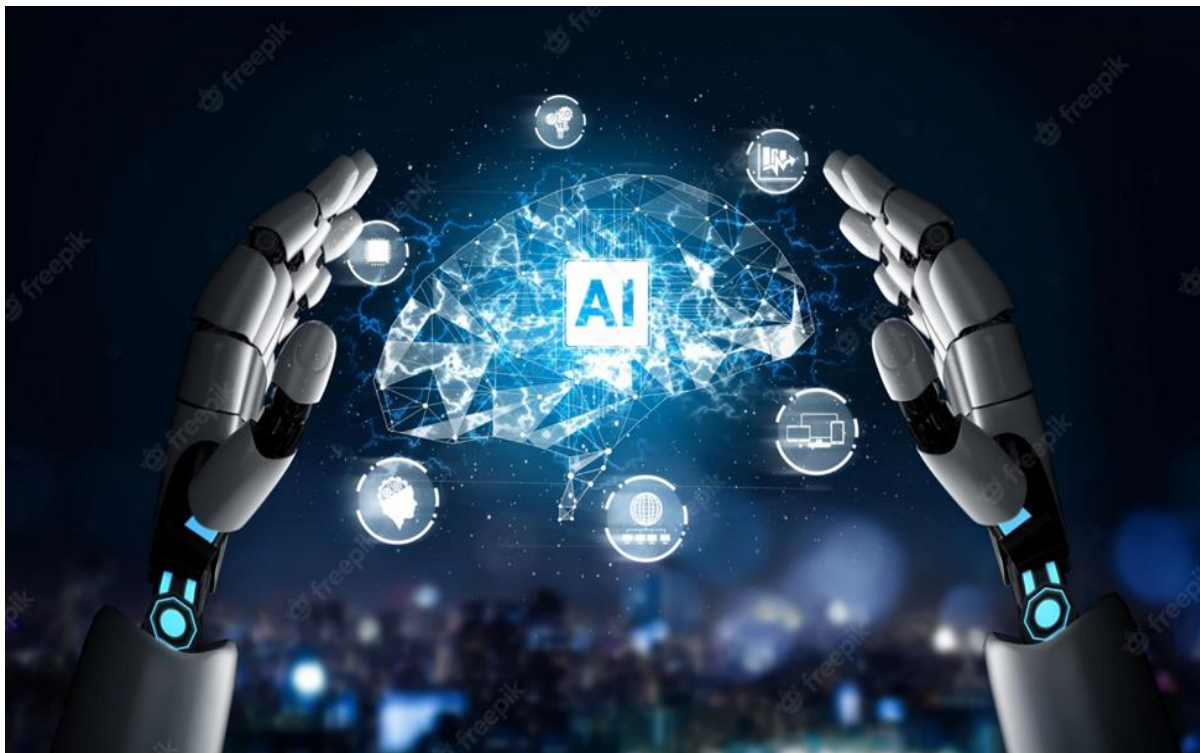
<https://www.gapbodhitaru.org/>

More specifically, the SDGs were designed to, among other things, provide a basis to end poverty, eradicate hunger, protect the planet, and improve the quality of life in the world, ensuring a balance is achieved between social, economic, and environmental sustainability. These challenges are more pressing in the least developed countries, which are precisely those countries lacking the (financial) resources and adoption of new discoveries in Accounting and Finance functions to implement the necessary changes. In this research paper, we analyze the importance of innovations in Finance, Accounting, and Taxation for achieving the SDGs.

Some Innovations that have taken place in Finance, Accounting, and Taxation which can aid in attaining the SDGs are as follows

- **Artificial Intelligence (AI)**

Artificial intelligence is the simulation of human intelligence processes by machines, especially computer systems. Specific applications of AI include expert systems, natural language processing, speech recognition, and machine vision. For accountants, AI enables the processing and automated authorization of documents to enhance internal accounting processes such as procurement and purchasing, invoicing, purchase orders, expense reports, accounts payable and receivables, etc.



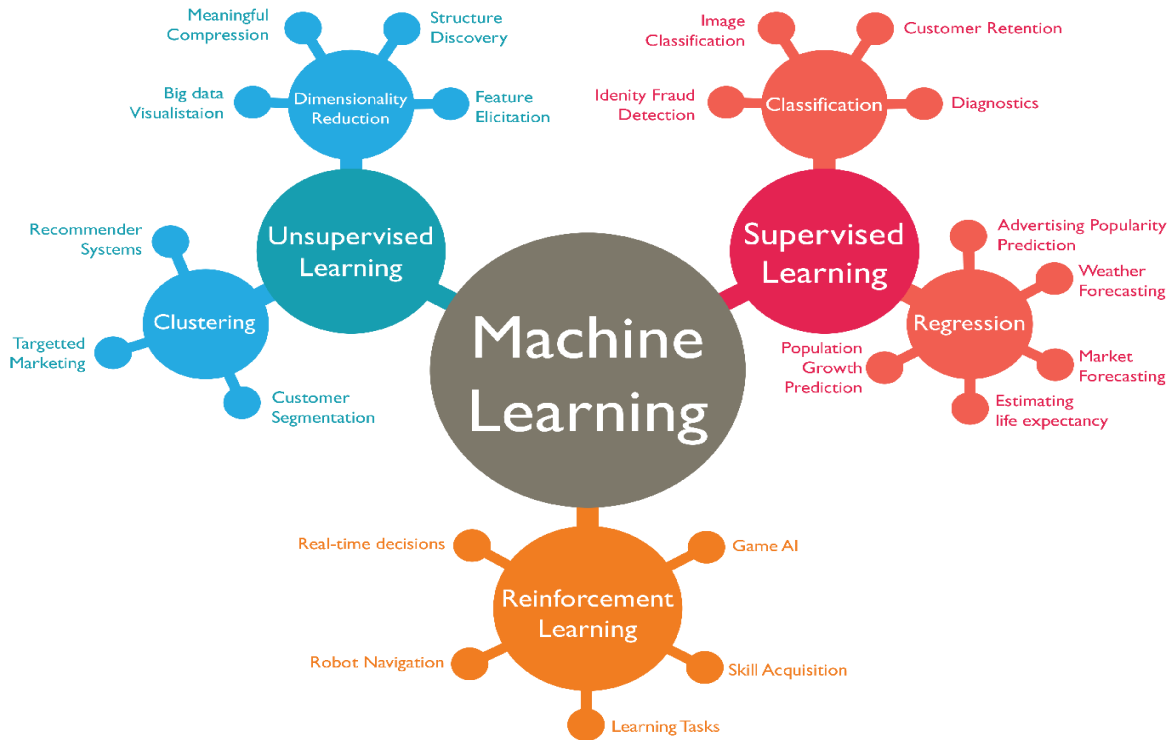
<https://www.forbes.com/sites/bernardmarr/2020/08/03/3-important-ways-artificial-intelligence-will-transform-your-business-and-turbocharge-success/?sh=128d24c1620f>

AI is transforming the texture of all fields, and innovations in field accounting are no different. AI in accounting can automate a range of repetitive tasks such as bookkeeping and transaction coding. It helps generate elaborate and specific financial reports.

It also helps to accelerate the pace of outcomes, and accounting professionals can then focus on offering more strategic inputs and be part of larger problem-solving. It is perhaps the most transformative of all technologies to bring a competitive edge to businesses.

- **Machine Learning (ML)**

Machine learning is a branch of artificial intelligence (AI) and computer science that focuses on using data and algorithms to imitate how humans learn, gradually improving its accuracy. Machine learning (ML) is a type of artificial intelligence (AI) that allows software applications to become more accurate at predicting outcomes without being explicitly programmed to do so. Machine learning algorithms use historical data as input to predict new output values.



<https://www.wordstream.com/blog/ws/2017/07/28/machine-learning-applications>

This is a type of AI that helps detect patterns. This is achieved by analyzing large amounts of data based on pre-programmed algorithms and statistics. In the context of accounting, ML can help detect irregular patterns, which is a great way to anticipate potential fraud. Additionally, it can help towards automating categorization. For example, in a few seconds, an accounting professional can evaluate if a specific expense is relevant to a business by comparing it to a larger data set. ML can be a great friend to any accounting professional and help them play a more lucrative role in adding value to their employer or client's business.

- **Cloud-Based Accounting Systems**

Cloud accounting software is similar to traditional, on-premises, or self-install accounting software, only the accounting software is hosted on remote servers, similar to the SaaS (Software as a Service) business model. Data is sent into "the cloud," where it is processed and returned to the user. In the case of cloud accounting, you keep your business books online. That includes records of income and expenses, and assets and liabilities. The information is encrypted, much like a bank's, so only people with the login can view the data.



<https://anadea.info/blog/benefits-of-cloud-based-accounting-software-for-your-business>

<https://www.gapbodhitaru.org/>

Making the shift to cloud-based accounting systems is one of the first and most important steps toward building access and transparency into data systems. By leveraging cloud computing, accountants and other stakeholders can access financial data. It paves the way for superior collaboration between accountants and their team members or clients who may request to view financial reports or raw data.

The second benefit is that the cloud can be accessed from multiple devices at any given time, and on the go, via smartphones. Plus, when old stakeholders leave or new ones enter the ecosystem, they can quickly access the data without extensive training or handovers.

- **Tax Software**

Tax software provides the option to digitally sign Income-tax return forms and others. The bulk upload and e-filing of the ITR. The tax return software is engaged in filing the DIT dashboard towards the online activities of ITD. Web tax enables easier calculation of income tax, MAT, MATC, etc. Tax software can be a great resource for many taxpayers. It makes the tax preparation process far more efficient and is designed in such a way that the average taxpayer can understand (or doesn't have to know) many nuances in the tax code.



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- Import Pre-filled JSON Data
- Unlimited Client Database Management
- E-payment of Self-assessment/Advance Tax Challans
- Facility to Direct Import Form 26AS from Traces
- Calculates Interest u/s 234A, 234B and 234C

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<https://blog.saginfortech.com/free-download-income-tax-return-software>

Today the market is flooded with a range of state-of-the-art tax software solutions. These can help accounting professionals expedite the whole range of tasks related to taxation - from filing to setting reminders for advance tax payments. They also make updating and storage easy and facilitate quick access.

By investing in good tax software, businesses can understand their tax liabilities, advance tax requirements, and be on top of their tax game.

- **Complete Accounting Software Integration**

Accounting software manages and records the day-to-day financial transactions of an organization, including fixed asset management, expense management, revenue management, accounts receivable, accounts payable, sub-ledger accounting & reporting, and analytics. Accounting comprises many tasks, from managing financial reports and invoices to processing payments, payroll, tax management, and inventory tracking.

<https://www.gapbodhitaru.org/>

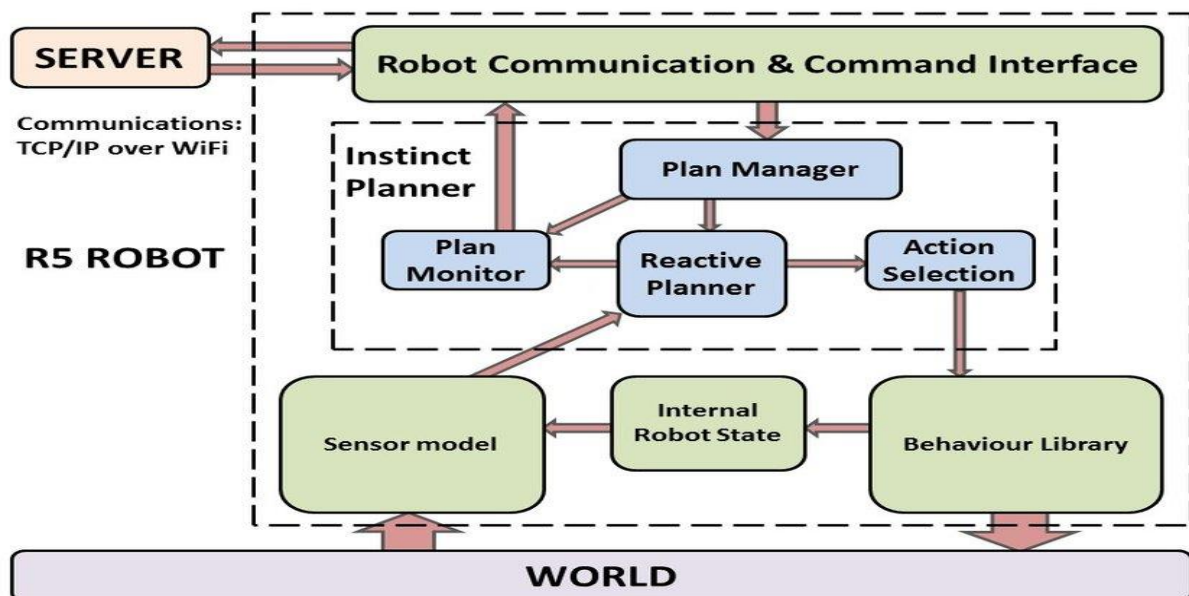


<https://www.compudata.com/how-integrated-accounting-software-improves-business-operations/>

Traditionally, manual entry was used. However, all the software solutions need to be able to communicate with each other. This also avoids data duplication and leakage. When preparing your tech stack, ensure that the software applications are compatible and can be integrated seamlessly. This will streamline all activities and minimize errors.

- **Robotic Software**

A robotics software “system” is defined here as one which allows robot users to program robot tasks in terms of key states of the task, instead of manipulator motions. It consists of two subsystems: a language system and a planning system. Examples are the robot dog Aibo, the Roomba vacuum, AI-powered robot assistants, and a growing variety of robotic toys and kits. Disaster Response: These robots perform dangerous jobs like searching for survivors in the aftermath of an emergency.



https://www.researchgate.net/figure/R5-Robot-Software-Architecture-showing-the-main-architecture-components-and-their_fig2_318538795

<https://www.gapbodhitaru.org/>

A range of robotic software programs is also available for performing several common accounting tasks - from entering financial data and generating reports to performing tax operations. Robotics software can be highly customized to meet a business's specific needs. According to a report, robotic automation processes can cut operational costs for financial services by 75%.

- **Turning to Mobile Access**

Mobile access is about accessing your work applications and data from anywhere. On the surface, it might seem like there's no difference between them, but remote-access solutions and mobile solutions use different technologies for different use cases. Mobile Access can be configured to send a One-Time Password (OTP) to an end-user communication device (such as a mobile phone) via an SMS message. Or even with SMS two-factor authentication provides an extra level of security while eliminating the difficulties associated with managing hardware tokens.



<https://mytechdecisions.com/facility/survey-mobile-access-control-credentials/>

Traditionally, accountants worked on Excel to perform many tasks. Working on a laptop or computer was pretty much the number. However, with so many sophisticated platforms entering the world of accounting, organizations are embracing mobile adoption.

This practice helps businesses access data, reports, and other information in real time. It also inspires them to keep the account up to date at all times, ensuring efficiency, flexibility, and transparency.

FINDINGS AND SUGGESTIONS

Bringing in the transformation and adaptation of the right technologies, as discussed above, will play a major part in the digital transformation process. It will assist in scaling up a sustainable business, staying relevant and competitive in the long run, and most importantly, assist in the achievement of the UN Sustainable Development Goals which has become a matter of greatest importance worldwide.

Existing research in finance and accounting that is relevant to individual SDGs serves as an initial connection between them and the accounting discipline. At the same time, the SDGs focus highlights new sites for pragmatic work (including polymathic examinations) as well as inviting innovation in finance and accounting theoretical frameworks. Furthermore, the SDGs provide an environment to rejuvenate or revitalize accounting, finance, and taxation's contribution to sustainable development discussions.

CONCLUSION

It's a fantastic idea for Corporate Finance Leadership in Companies to keep abreast of various trends and updates in the accounting field. A key aspect is the technological innovations, as discussed above, that are fast-changing the world of accounting and finance.

By investing in the right technology, the profile of accounting professionals will also be elevated, as it frees them up to dedicate more time to playing an analytical and strategic role in any business.

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Companies are not just asked to develop more sustainable processes, products, and business models. To achieve corporate sustainability, they are furthermore challenged to relate their operations, supply chains, and products to science-based targets and social views of sustainable development goals. This requires sustainability innovations involving all corporate functions as well as external stakeholders.

Finance & Accounting processes and methods are in dire need of innovation, particularly in light of their potential to serve as triggers for corporate sustainability. Innovations of accounting, finance, and taxation for sustainability are thus needed to identify and assess actual environmental and social challenges and to support creating sustainability solutions. This paper discussed what accounting for sustainability might imply with regard to the necessary innovations in accounting, finance, and taxation.

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