



Importance of accounting in the internet of things

The emergence of the Internet of Things (IoT) has ushered in a new era for business accounting, radically transforming the way financial and operational data is handled, processed and used. This technological innovation has left a profound mark on the accounting landscape, with a number of key contributions worth highlighting: The increasing deployment of IoT devices in corporate environments has opened the door to fully automated financial and operational data collection. Sensors embedded in machinery, equipment and other business assets enable the continuous, real-time collection of information on performance, resource consumption and other accounting-relevant aspects.

The elimination of manual data entry through IoT has significantly reduced the risk of human error in accounting records. Automatically collected data is more accurate and reliable, raising the quality of financial information available for strategic decision making. The integration of IoT devices into business processes has enabled more effective monitoring and control of operations. This not only improves operational efficiency, but also provides accountants with a more detailed view of business activities, making it easier to identify areas for improvement and cost optimisation.

The vast amount of data generated by IoT devices can be harnessed for predictive and prescriptive analytics. Advanced algorithms can use this data to forecast future trends, identify risks and opportunities, and recommend specific actions to optimise a company's financial and operational performance. IoT devices enable automatic tracking of inventory and business assets in real time, facilitating inventory management and resource planning. This helps to reduce costs associated with excess inventory or stock-outs, optimising the company's working capital.

Accounting in the IoT era has also improved regulatory compliance by providing more accurate and detailed data for financial reporting and audits. Automated records and improved traceability simplify audits and ensure compliance with tax and accounting regulations. Accounting has therefore undergone a radical transformation in the era of the Internet of Things, with a range of benefits from more efficient data collection to more informed and accurate strategic decision making. These advances not only improve the efficiency and profitability of businesses, but also empower accountants with unprecedented tools to meet the challenges of the modern business world.

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