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The Impact of Generative AI Tools on Financial Reporting Processes in Modern Accounting Systems

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ABSTRACT

Generative Artificial Intelligence (AI) is transforming financial reporting in modern accounting by automating routine tasks, generating narrative insights, and enhancing the accuracy and efficiency of financial statements. This study examines the evolution of generative AI from basic automation tools to advanced systems capable of producing analytical narratives, summarizing complex datasets, and supporting predictive financial analysis. The integration of AI-powered assistants in accounting platforms facilitates continuous reporting, accelerates month-end closings, reduces manual errors, and improves data consistency across departments. Generative AI also strengthens internal controls by monitoring transactions in real time, detecting anomalies, and enhancing audit readiness through better documentation and traceability. Additionally, AI-driven reporting tools improve decision-making and financial transparency by converting large volumes of data into understandable insights for managers, investors, and regulators. Despite its advantages, generative AI introduces challenges, including potential inaccuracies, model bias, data privacy concerns, and the risk of overreliance that could undermine professional judgment. Ethical frameworks, governance structures, and proper oversight are therefore essential to mitigate these risks. Looking forward, generative AI is expected to become increasingly embedded in accounting systems, supporting autonomous finance, real-time reporting, blockchain integration, predictive forecasting, and intelligent audit assistance. The study concludes that while challenges remain, the strategic implementation of generative AI in accounting presents substantial opportunities for innovation, improved financial governance, and enhanced transparency in financial reporting.

Keywords: Generative Ai, Financial Reporting, Accounting Automation, Audit Readiness, Financial Transparency

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