Hey! What's New? 2026-41

Capability Unlocked: Digital and AI Literacy

Susan Muldowney writes, in the latest issue of *INTHEBLACK*, that "accounting and finance professionals now operate in an environment defined by accelerated technological change, rising scrutiny, regulatory complexity and shifting workforce expectations. Technical expertise remains essential, but it is no longer sufficient on its own."

Artificial intelligence (AI) has moved from a future concept to a present-day reality, she says. "And the accounting sector alone, Mordor Intelligence estimates the market size of AI in accounting in 2026 at US$10.87 billion, and this is expected to increase fourfold by 2031, transforming the profession and the skills required for success."

Muldowney notes that the demand for digital and AI literacy is driven by factors such as automation of routine tasks, the rise of generative AI, evolving regulatory requirements and ongoing pressure to boost productivity without compromising accuracy or trust. This term describes the ability to confidently evaluate, apply and oversee technology in a professional context and translate technical outputs into sound business judgement.

"Rather than looking to the tech team to answer AI questions, accountants are increasingly expected not only to use these technologies, but to understand their capabilities, limitations and risks," she says, adding that "businesses are increasingly embedding AI into daily workflows to unlock productivity, client value and strategic insight. The technology can be used to quickly identify financial trends, errors or unusual transactions, draft client emails, flag potential compliance issues and automate routine tasks."

She notes that data from professional services software and information company Wolters Kluwer shows more than 81 per cent of accounting firms in the Asia-Pacific region already use AI tools weekly or daily. A similar number plan to increase their AI investments over the next three years in areas such as identifying compliance risks and generating predictive client insights.

"As a result, digital and AI literacy is important for interrogating algorithmic outputs, selecting appropriate tools and safeguarding sensitive client information. Accounting expertise remains critical to verifying AI outputs and translating them into sound business advice," Downey writes.

Sarah Lawrance FCPA, founder and CEO of accounting firm Hot Toast and chair of CPA Australia's New South Wales Public Practice Committee, says AI has become vital to productivity and client service across her business. "Any task that involves a repeatable process is now underpinned by AI and automation technology. This enables her team to focus on higher value work. By using AI for tax work, we were able to finish all the 2024–25 financial year tax by 30 April last year," she says.

Muldowney adds that, "with smart technologies embedded at the core of organizational systems, demand for digital and AI literacy will increase. Research data management platform Informatica shows 72 per cent of organizations in the Asia-Pacific region see the need for improved AI and data literacy training across their workforce."

Lawrance says AI is driving a shift towards a two-speed accounting industry. “There will be those who actively adopt AI and pull ahead, and those who say, ‘let’s just wait and see what happens.’ Technology like AI is moving so quickly that if you do not engage and at least become curious about it, you will be left behind.”

Tracy Sheen, author of *AI & U: Reimagine Business*, stresses that a lack of digital and AI literacy also presents ethical risks if accountants become overly reliant on opaque systems. “This is not just a tech issue anymore — it is a fiduciary issue. If you are using these tools without proper understanding, you are putting your organization’s reputation at risk.”

“Understanding limitations, risks and ethical checks should absolutely be part of AI literacy,” she stresses “I talk about GIST, which stands for guardrails, intent, strategy and training, with the human in the middle. If any one of those elements is missing, it falls apart.”

Building digital and AI literacy requires ongoing professional development. “This is not something people can treat as a one-off learning exercise,” Sheen says. “It needs to be ongoing, more like micro-credentials than big blocks of study. What works is regular, practical learning such as lunch-and-learns or even having an ‘AI buddy’ to share what is working and what is not.”

For more, check out Capability unlocked: Digital and AI literacy | INTHEBLACK.