

Microsoft Copilot for CPAs

Steven M. Bragg

Table of Contents

Partnership Tax Guide.....	1
Learning Objectives	1
Introduction.....	1
Technical Foundations of Microsoft Copilot	2
Prompts Versus Natural Language Queries	3
How Copilot Accesses and Uses Organizational Data	4
Understanding Boundaries and Limitations	4
Hallucination Risks and Their Implications.....	5
Conclusion.....	6
Security, Privacy, and Data Governance Considerations	6
The Importance of Security and Privacy in the Accounting Profession	6
Role-Based Access Controls.....	7
Audit Logs and Monitoring Capabilities.....	7
Retention Policies and Information Lifecycle Management	8
Copilot and Existing Microsoft Security Controls.....	8
Professional Responsibility and Confidentiality Obligations	8
Aligning Copilot with Firm-Level Data Governance Frameworks	9
Conclusion.....	9
Prompt Engineering for CPAs	10
Prompt Specificity and Precision	10
Context Layering for Reliable Outputs.....	10
Using Constraints to Guide Copilot Behavior	11
Tone Control and Professional Communication.....	12
Validation Techniques and Professional Review	12
Accounting-Specific Prompt Patterns	13
Accounting-Specific Prompt Patterns: Reconciliation Support.....	14
Microsoft Copilot in Excel for CPAs	15
Copilot's Role in the Excel Environment	15
Financial Modeling with Copilot	15
Variance Analysis and Trend Evaluation	16
Data Cleanup and Preparation	16
Formula Generation and Explanation	17
Pivot Analysis and Data Summarization	17
Forecasting and Projections.....	18
Sensitivity Analysis and Scenario Testing	18
Validation and Review of Copilot Outputs.....	18
Documentation for Audit and Management Purposes.....	19
Conclusion.....	19
Microsoft Copilot in Word for CPAs	19
Copilot's Role in the Word Environment	20
Drafting Accounting Policies and Procedures	20
Preparing Technical Accounting Memoranda	20
Management Reports	21
Internal Control Narratives and Documentation	21
Client Correspondence and Professional Communication	21
Tone, Style, and Consistency Across Documents.....	22
Conclusion.....	23
Microsoft Copilot in PowerPoint for CPAs.....	23
The Role of Copilot in Financial Presentations	23
Transforming Financial Data into Executive Narratives.....	24
Conclusion.....	25
Microsoft Copilot in Outlook and Teams for CPAs	25
Managing Email Volume and Complexity in Outlook.....	25
Drafting Professional and Appropriate Email Responses	26

Table of Contents

Meeting Preparation and Agenda Development	27
Copilot Uses Within Teams	27
Conclusion	28
Copilot Use Cases in Accounting	28
Copilot Use Cases in Auditing and Assurance	29
Copilot Use Cases in Tax Planning and Compliance	30
Copilot Use Cases in Advisory and Consulting Services	32
Professional Judgment and Ethics in Copilot Use	33
Due Care, Competence, and Responsibility	33
Professional Judgment and the Role of AI	34
Ethical Risks and Over-Reliance	34
Bias and Objectivity Considerations	34
Transparency with Clients and Stakeholders	35
Accountability and Review Processes	35
Conclusion	35
Implementing Microsoft Copilot in a CPA Firm	36
Summary	37
Review Questions	39
Review Answers	41
Glossary	43
Index	45