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Microsoft adds accounting skills to Copilot: reconciliations, journal entries and an audit trail in Excel

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On 29 October 2026 Microsoft announced more than 25 new finance skills and partner plugins across Microsoft Copilot. They include accounting skills in Excel for reconciliations, journal entries and variance analysis, with an optional audit trail. The accounting skills are in Microsoft's Frontier early-access programme.

Global reference

- Vendor: Microsoft
- Topic: Finance skills and plugins in Microsoft Copilot, Copilot in Excel and Copilot Cowork
- Key date: Announced 29 October 2026
- Status: Accounting capabilities in Frontier (early access). Finance skills in Copilot in Excel and the Finance and Capital Markets plugins in Cowork generally available. Dynamics 365 ERP and partner plugins beginning to roll out

What finance gets

- Reconciliations: compare balances and transactions, identify discrepancies and prepare reconciling items for review.
- Journal entries: draft accruals, reclassifications, allocations, reversals and recurring entries, with checks for required inputs and balanced entries.
- Reporting: analyse performance against plan, identify key drivers and explain what changed and why.
- Finance plugin for Cowork: close review package (variance investigation, blockers, draft commentary), forecast review brief and audit evidence packages.

Controls Microsoft describes

- Optional audit trail in Excel: it creates "a record in their chat history of what Copilot changed and why".
- Version history shows when changes were made and by whom, and lets users reverse individual edits.
- Copilot works only with content each user can access, honours permissions and sensitivity labels, and does not use prompts or documents to train the underlying models.
- Not stated: pricing and licence requirements. Third-party plugins may need separate licences.

What to do now

- Make the audit trail mandatory in your policy for every accounting use.
- Treat AI-drafted journals as prepared, not approved. The normal approver still signs off.

- Pilot reconciliations on one low-risk account and compare the result with the manual work.
- Confirm licences and costs with your Microsoft account team before rollout.
- Agree with your auditors where the audit trail evidence will be stored.

Our take

This is Microsoft's clearest step yet into the close. The optional audit trail is the feature to watch, and finance should make it a rule, not an option. An AI-drafted journal is still a journal, and it needs the same preparer and approver as any other.

Sources

- Microsoft: Microsoft Copilot for finance: Purpose-built for the way finance teams work (29 October 2026)
- CFO Dive: Microsoft expands Copilot's reach in finance workflows (29 October 2026)

Important. This summary is for general information and is not technology, accounting or financial advice. It is based on public Microsoft information and press reports and may be incomplete or out of date. The official publications prevail; check the official source before acting.

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