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Finance Automation and AI

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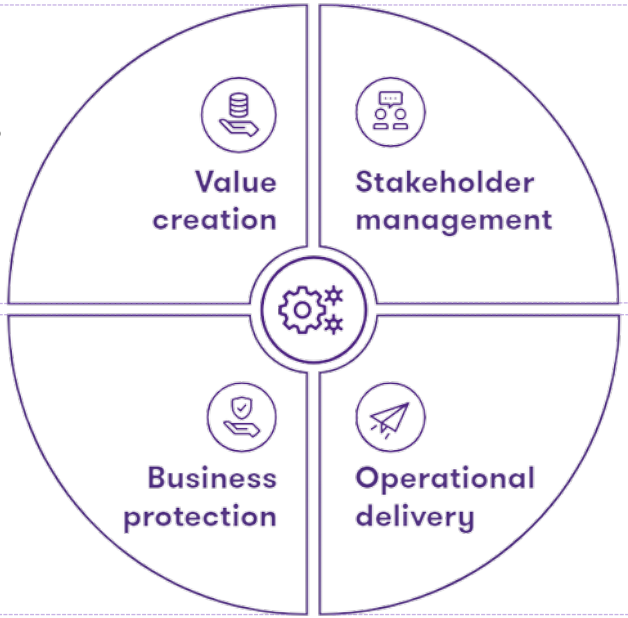
The CFO Scorecard – a reminder

Where do you and your team want to focus?

Helping to generate value for the organisation through delivery of insights, involvement in strategic decisions, and leadership of change initiatives



Identifying and balancing the needs of relevant stakeholders and customers of Finance, including those inside and outside the finance function

Ensuring appropriate controls, processes and governance are effective to identify and mitigate risks faced by the organisation and discharge relevant compliance responsibilities

Completing core finance function tasks such as transaction processing, account reconciliation, and statutory reporting

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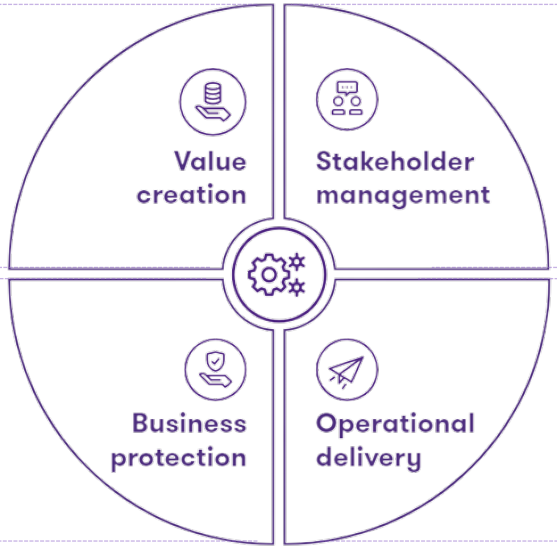
The CFO Scorecard

What should be on your agenda?

- Slow month end
- "Flat" reports

- Limited time
- Time spent on the "what", rather than "so what" or "now what"



- Labour intensive, detective controls, e.g. auditing every expense claim
- Manual reconciliations

- Manual processes, e.g. FX translation, invoice matching, journal posting
- Time required for judgements such as bad debt provisions

- Management Information
- Desktop Automation & OCR
- Data Literacy & Skills
- Use of Excel
- Move to AI

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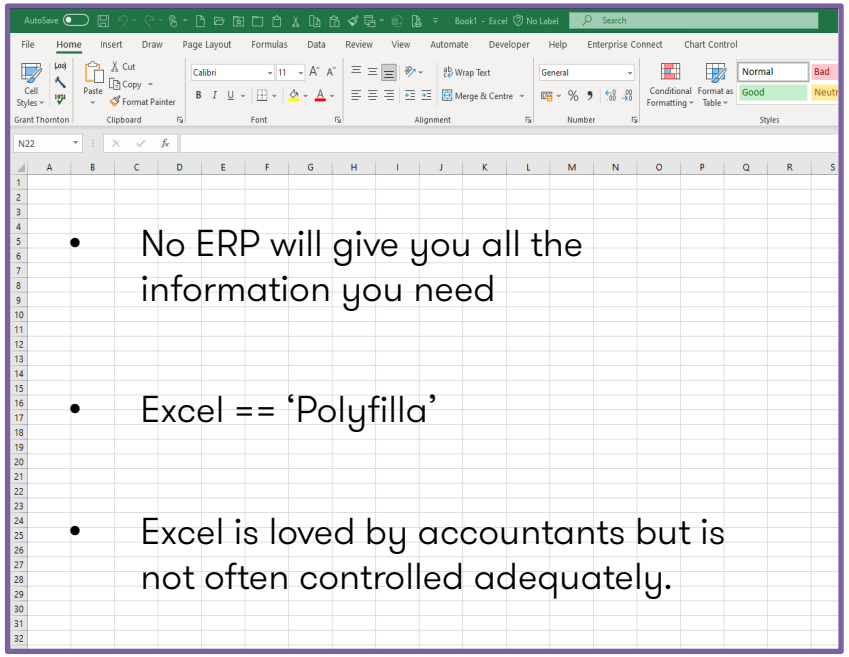
The problem with Spreadsheets... and ERPs



Excel over-reliance and a failure to utilise ERPs often leads to...

- Increased risk of errors due to manual data entry and formula manipulation.
- Lack of version control and audit trail capabilities.
- Limited scalability and efficiency when handling large datasets.
- Challenges in data integration and automation with other systems.
- Reduced collaboration.
- Compliance and security risks with inadequate data protection measures.
- Limited analytical capabilities for advanced financial analysis and modelling.

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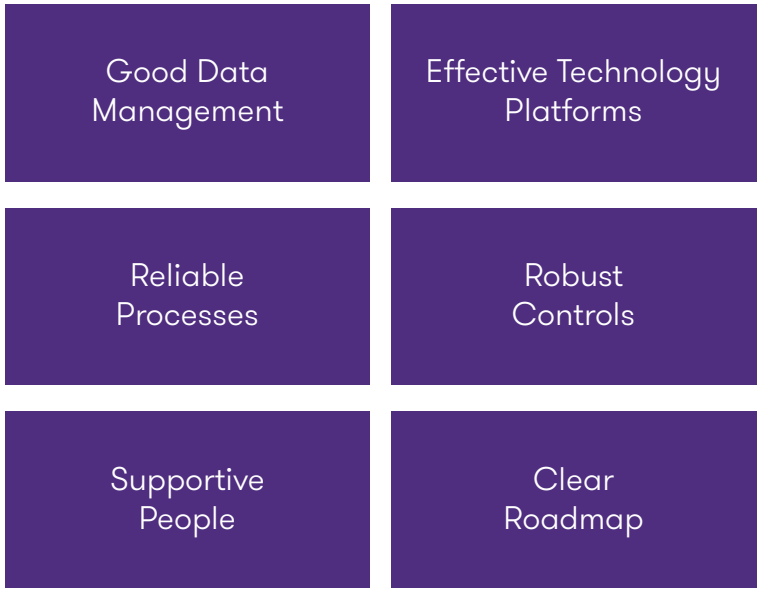
Solid Foundations

What did ChatGPT say about a good technology and data landscape for a finance department?

- Robust financial software systems, seamless data integration, advanced analytics tools, strong security measures, integration with external data sources, and collaborative platforms.
- It enables streamlined accounting processes, holistic financial visibility, meaningful data analysis, secure data management, real-time access to relevant information, and enhanced collaboration.
- Such a landscape empowers finance professionals to optimize operations, derive valuable insights, and contribute strategically to the organization's success.

Six foundational elements to a technology-enabled finance function



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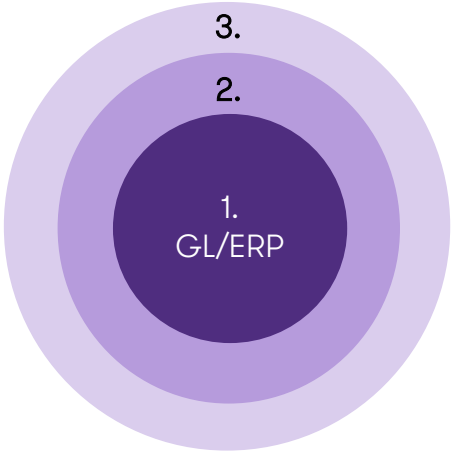
Digital Foundations

Good Data Management	Ensuring the integrity of reporting - making sure your data is captured consistently and a single source of the truth.	Effective Technology Platforms	Select the right tool for the job, ensure its functionality is maximised, and users are fully competent.
Reliable Processes	Automation and technology supports scalable operational processes.	Robust Controls	Automated processes mean a control failure will keep occurring until it is amended.
Supportive People	Ensuring your team has at least basic data literacy to champion digital adoption.	Clear Roadmap	Having a clear view of the roadblocks and bends ahead means you can plan in advance.



1. 'Best Fit' GL/ERP that best meets your business needs

2. Documented, automated, and controlled Repeatable Processes

3. Excel for prototyping and one-off activities.

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How do you safely fill the gaps?

Enterprise Planning & Management Software

- Pre-built/configurable common models,
- Can look and feel very much like Excel,
- Requires access to underlying data.

Low/No Code Analytics Tools

- Template models available,
- Ability to use machine learning,
- Easy to use, 'workflow' models,
- Can be used with flat files & Spreadsheets,
- Open Source ('Free') and Licenced software

Do Excel better…Use Microsoft Tools

- Use Power Query & VBA as a professional developer would.
- Explore Power Platform applications

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Case study
Automating tax provisioning with Alteryx

alteryx

Identification

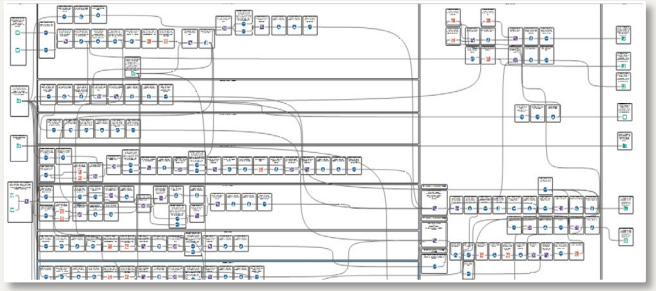
Our client completes a quarterly tax provisioning exercise. As a global company with entities in over 50 countries, this process was a manual and time-consuming exercise, prone to human error.

Requirements

1. Building automated workflows, incorporating 50+ entities with multiple different processes for both corporate and withholding tax.
2. Parallel testing against existing process to ensure completeness and accuracy of the automated solution.
3. Training the client SMEs to ensure smooth transition and maintenance going forward.
4. Building a dashboard to visualise the output, ready to share with senior stakeholders.

Outcome

By automating this process, we reduced the time spent from **one week per quarter to under 20 minutes per quarter**, as well as removing human intervention to mitigate the risk of incorrect manual entries.



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Looking to the future of AI in Accountancy

Potential uses include:

- Fraud detection
- Risk assessment
- Financial forecasting
- Automated document processing
- Auditing,
- Tax planning
- Financial statement analysis.

Applications are typically clear cut and process driven.

What you should do now:

- Control AI use (e.g., Chat GPT),
- Keep abreast of industry developments,
- Apply lateral thinking,
- Don't rush in with significant spend – watch and wait.

This is a new market with lots of start-ups. See which ones last and make educated decisions on what you think is coming down the line.

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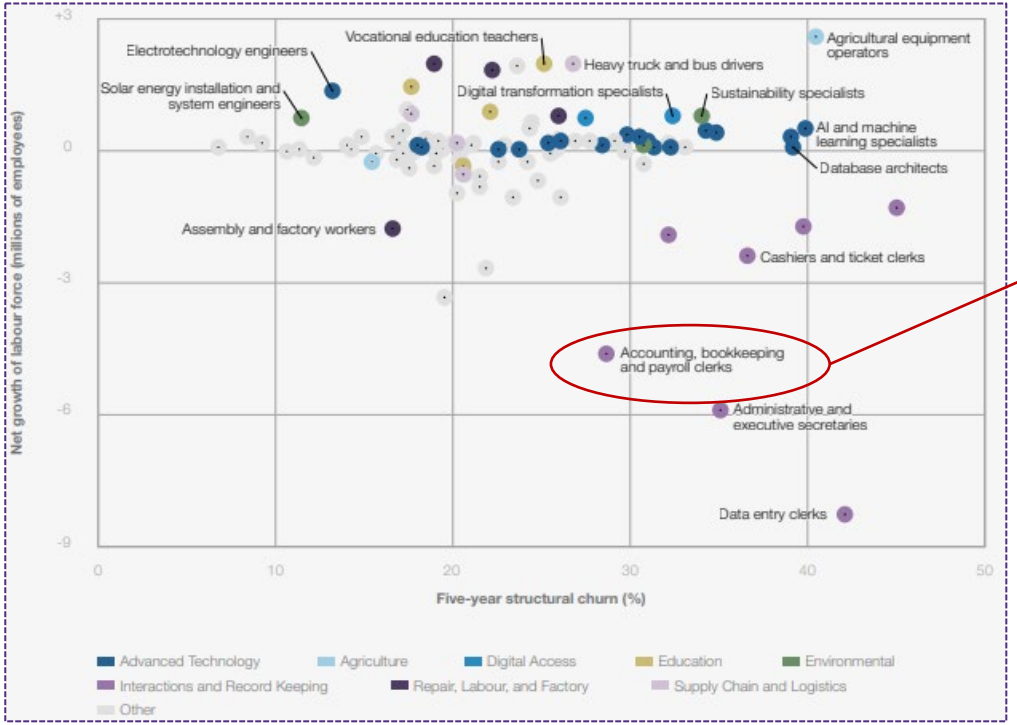
The Future of Work
How will accountancy fare?



- Predicted net job loss in the industry of c. 5%, third highest in the study.
- 'Medium' anticipated disruption in our industry.
- Our view is the categorisation applied is very broad.
- Likely to be more disruption in the lower-skilled parts of the profession (e.g., bookkeeping).

Source
World Economic Forum, Future of Jobs Survey 2023;
International Labour Organization, ILOSTAT

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Conclusion

Four key things all CFOs need to think about....

Is accountancy heading for an existential crisis?

By embracing technology, honing analytical skills, specializing, and continuously learning, accountants can adapt to the evolving landscape and remain valuable in the profession. Here are our four suggestions to stay ahead:

1. Embrace Technology & Lifelong Learning

2. Develop Analytical and Advisory Skills

3. Specialize and Diversify

4. Focus on Soft Skills

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