AI in Finance and Accounting

November 2025

The better the question. The better the answer. The better the world works.

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Agenda

01

Overview of AI

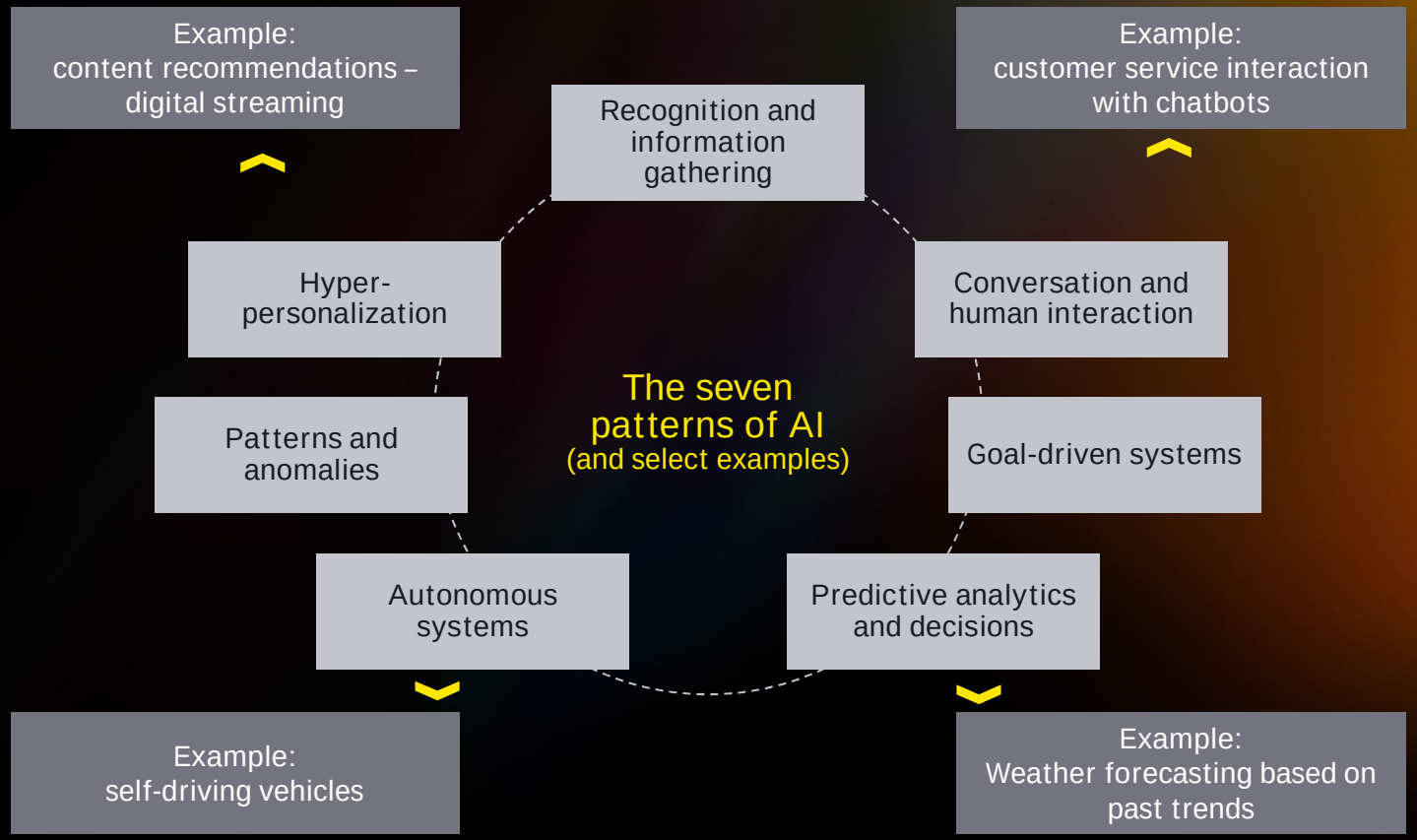
Revisiting artificial intelligence (AI)

What is AI?

Artificial intelligence is a broad term for a set of technologies that develop or simulate intelligence in machines, including by performing tasks that traditionally required human intelligence.

While there is no single definition of AI, certain criteria have become generally accepted by leading organizations[1]:

- Humans play a role in defining the objectives of an AI system and providing data or inputs
- AI systems have varying levels of autonomy in generating outputs
- Outputs[2] from AI systems include predictions, recommendations or decisions.



[1] Analysis based on definitions of AI as published by European Union (EU), National Institute of Standards and Technology (NIST), International Organization for Standardization (ISO), and Organization for Economic Co-operation and Development (OECD).
[2] The EU AI Act includes "content" [from generative AI] as an additional output in its formal definition.
Source: OECD Artifical Intelligence & Responsible Business Conduct

What is agentic AI?

Agentic AI represents a significant leap in AI by moving beyond traditional models to systems capable of autonomous decision-making, planning and learning. Unlike generative AI (GenAI), which requires specific prompts, agentic AI takes independent actions to achieve objectives, transforming the way we interact with technology and revolutionizing various industries.

Key highlights

Autonomy and chaining

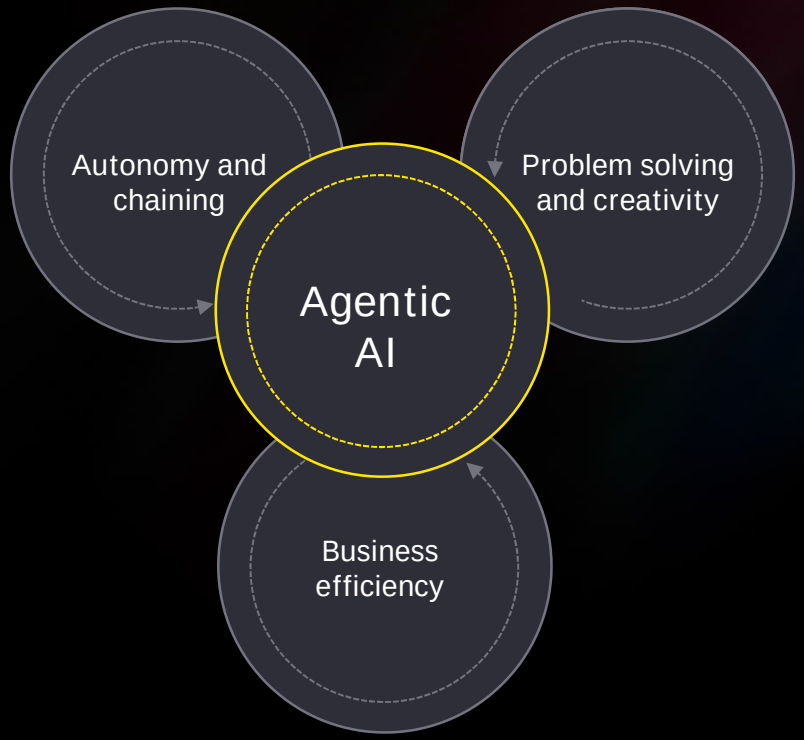
- Agentic AI can autonomously handle complex tasks by breaking them into steps, significantly reducing human intervention.

Problem solving and creativity

- Beyond executing tasks, agentic AI adapts to deliver creative solutions and solve intricate problems.

Business efficiency

- It automates workflows, enhancing productivity and reducing errors, thus optimizing operations across sectors.



Challenges

Ethical concerns

- Agentic AI's autonomy may lead to decisions that conflict with human values.

Transparency issues

- Complex decision-making processes make it harder to trace AI's actions, raising accountability issues.

Job displacement

- It automates workflows, enhancing productivity and reducing errors, thus optimizing operations across sectors.

Security risks

- Increased autonomy heightens vulnerability to cyber attacks, especially when handling sensitive financial data.

02

Application in Finance and Accounting

Polling question #1

Is your organization currently using AI in your finance and accounting function?

Access the poll here

A Yes

B No

Foundational pillars of a value-driven AI strategy

1	2	3	4
Data readiness	Governance and control	Change management	Integrated strategy
Data is the fuel of AI. High-quality AI models aren't effective if they're run on disconnected or disparate data sets. Fixing messy data now is the most important investment that can be made.	AI adoption must evolve alongside your control environment. Organizations need to understand how AI makes decisions and ensure those decisions can be explained, monitored, and trusted.	AI will disrupt workflows and roles. AI adoption should include upskilling the workforce, rethinking accountability, and preserving trust.	Building disconnected AI tools will limit progress. A cohesive vision of how AI will enhance every facet of the business–data, systems, talent, and governance–will drive long-term value.

Is my problem a good problem for AI?

The applications of AI are still evolving, and the considerations below may change with time

Task involves the creation of content, ideas or insights.

Problem involves recognizing complex patterns and analyzing data.

Traditional rules-based methods are not suitable – judgment and intelligence is required.

Explaining how the model produces output in specific step-by-step detail required.

Task requires tapping into expertise, data or other content from a wide range of sources.

Data for problem is readily available.

Business decision/problem being addressed is not substantial enough to justify time, effort and cost of development.

Business domain does not have expertise and capabilities to identify and correct potential bias in the model.

Key Problem potentially well suited for AI | Problem may present difficulties for AI | Problem not well suited for AI

Is my data AI-ready?

Accessible at scale

High volume of historical data available for exploration and production usage with fast processing

Open

Multiple file types and formats from text to image to transactional while using consistent tools across the platform

Visible

Ability to understand the data, both technically and in business context, while easily finding data across systems and sources

Reliable

Consistent data pipelines that minimize breakage/missing data and maintain consistency over time, while reducing bias by ensuring data is representative and appropriately sourced

Recent

Up-to-date data files with reasonable data latency providing the data needed for each use case (real-time, batch, etc.)

Global

Consistency across the global enterprise from BU to BU and region to region so that a customer and product mean the same and can be tied together

Trusted and secure

Ability to execute AI use cases responsibly with data that is secured for only those who need it

AI consumer | *Business stakeholder* | *AI engineer* | *IT organization*

The key AI personas each have unique needs for AI-ready data, which should drive the needed investments over time to ensure long-term AI success.

Is my data AI-ready? (cont.)

The extent to which an organization's data is available, accessible, accurate and aligned with its strategic objectives to enable effective and efficient development and deployment of artificial intelligence solutions.

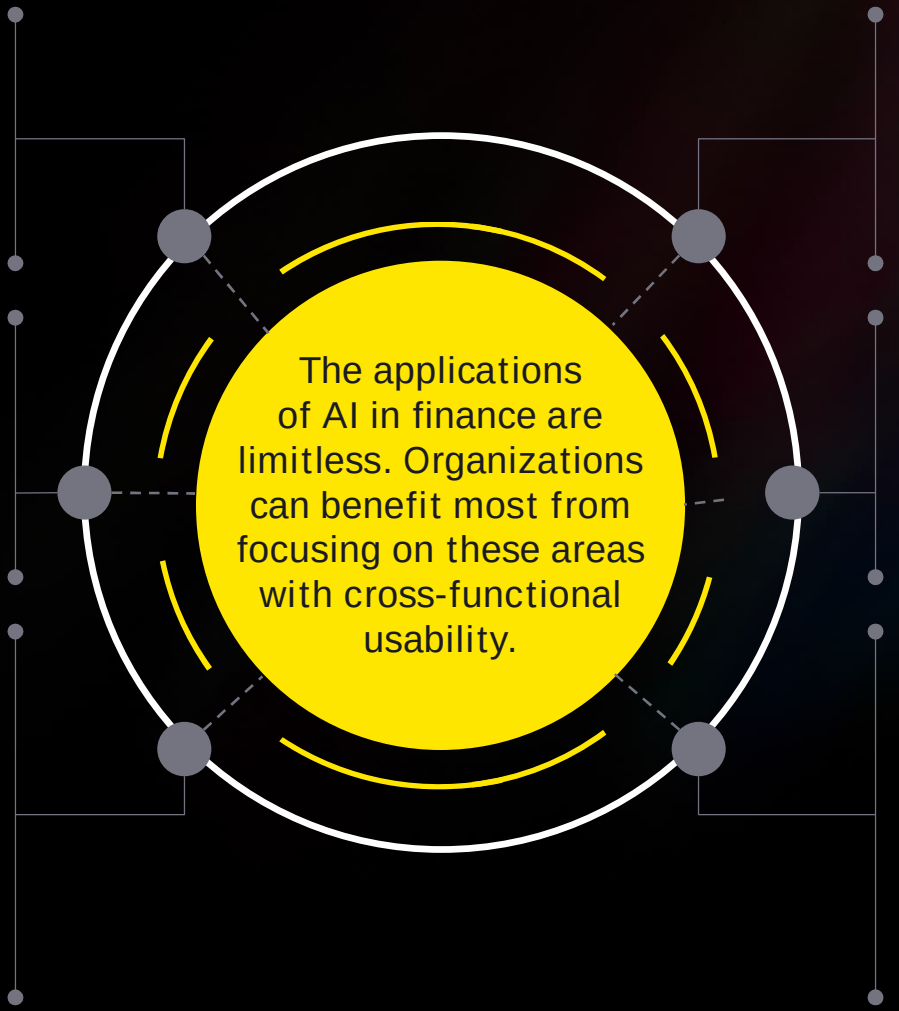
Sample data readiness questions	If the answer is "No" …
Do we have data that directly relates to the business challenge?	Reconnect with business stakeholders to clarify the decision or outcome at stake.
Do we have examples that show what a good outcome looks like?	Identify SMEs who can label, score or curate success/failure patterns.
Is the data rich, reliable and organized enough to learn from?	Audit sources, resolve inconsistencies, enrich with context, and unify formats.
Are we contractually allowed to use this data for AI?	Review licensing, contracts and internal policy with Legal or Compliance.
Has sensitive or regulated data been handled properly?	Apply privacy scans, anonymization, redaction or access controls as needed.
Do we have a system in place to govern, catalog and manage this data?	Establish or enable a unified data governance platform to make data discoverable, trusted and policy-compliant.

AI hot spots in the finance function

Accounting policy
- Technical memo preparation, including accounting treatment analysis
- Qualitative contract assessments (leases, revenue contracts, etc.)
- Accounting policy Q&A tools/chatbots

Financial reporting
- Pre-populating complex annual reporting narratives and tables
- Checklist completion with necessary references
- Research and analysis on SEC comment letters
- Equity stories

Financial operations and close process
- Document Intelligence to extract elements from invoices, leases, contracts and other documents
- Contract qualitative review and classification (operating, derivative, lease, etc.)
- Drafting journal entry mechanics
- Automating checks and reconciliations: intercompany balances, transactions to bank balances



Financial systems and technology
- Generating complex system queries for layman users
- Fraud detection
- Coding and custom technology solutions
- Dashboard and workflow creation

Financial planning and analysis
- Financial forecasting models
- Optimization and simulation
- Data insights
- Summarization of trends

Audit and risk management
- Drafting workpaper and audit documentation, including references to accounting policy and framework
- Outlier analysis
- Risk benchmarking
- Relevant client/industry news feed

AI use cases in action

Narrative generation for financial reporting	Financial disclosure benchmarking and generation	Contract intelligence
Benefits over traditional methods		
GenAI can be integrated through Microsoft Azure to analyze financial data and generate narratives for financial reporting packages, disclosures, regulatory filings and internal management reporting. ▪ Reduced risk of errors ▪ Enhanced insights ▪ Increased efficiency ▪ Reduced cost	GenAI can be trained to process company financials and disclosures for benchmarking and analysis. ▪ Reduced time required to compile and draft 10-K reports ▪ Consistency in reporting standards and language across different sections of the 10-K ▪ Identify trends, risks and opportunities that might not be immediately apparent	GenAI can analyze various contracts, extract key terms, and enable accountants to review and refine AI performance. ▪ AI interpretation of contract text to identify essential elements base on specific criteria ▪ System improvement over time with human feedback, enhancing accuracy and efficiency
Demo	Demo	Demo

Polling question #2

In your opinion, which of the following finance cases would your organization benefit most from by adopting the latest GenAI technologies?
(pick maximum 3)

Access the poll here

- A Account reconciliations and validations
- B Qualitative assessments (e.g., financial variance analysis)
- C Writing narrative (text) explaining the story behind the numbers
- D Preparing insightful visual information/graphs/charts to help illustrate the movements in the numbers
- E Optimizing the financial close process (backward-looking information)
- F Optimizing financial planning and budgeting/forecasting applications (forward-looking information)
- G Other use cases
- H Don’t know

03

Responsible AI and governance

Understanding the risk landscape of AI

AI introduces a new class of risks that extend beyond traditional IT or process automation.

Accuracy and explainability

- Inaccurate or inconsistent input data can lead AI systems to produce misleading or materially incorrect outputs.
- Lack of transparency in how outputs are generated can undermine trust and auditability.
- AI may produce incorrect outputs that appear reliable and go unchallenged.

Privacy and security

- Sensitive financial or personal data may be exposed or misused by AI systems.
- Increased data access and model autonomy heighten cybersecurity risks.

Fairness and bias

- AI systems can reinforce or amplify historical or societal biases.
- Biased outcomes may go undetected, especially in financial decision-making or vendor assessments.

Legal and regulatory

- Rapidly evolving AI regulations across jurisdictions create uncertainty and increase the risk of noncompliance.
- AI usage may conflict with laws on data use, IP, or disclosure.
- Liability can be unclear when AI-generated content leads to errors or omissions.

Why responsible AI matters

Overview of Responsible AI

AI adoption is accelerating rapidly

Driven by generative and agentic technologies – outpacing the maturity of most risk and compliance frameworks.

Regulations are still evolving

Regulators are responding, but guidance remains fragmented, creating uncertainty for organizations operating across jurisdictions.

Responsible AI is imperative

Stay ahead by proactively implement strategies that embed trust, transparency, and control into every stage of the AI lifecycle.

Benefits of Responsible AI

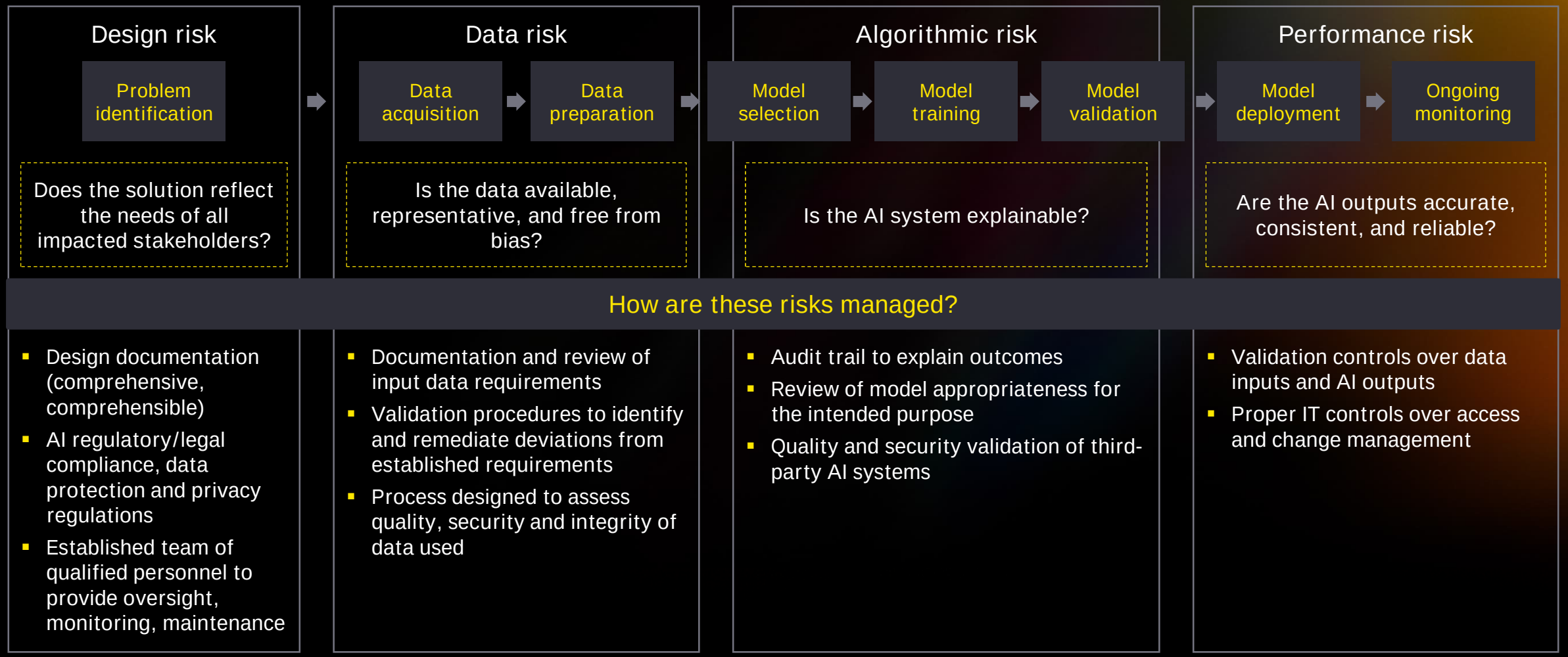
Having a purposeful Responsible AI strategy will enable your organization to:

Identify and safeguard AI assets across the enterprise	Navigate legal and regulatory obligations with confidence	Gain competitive advantage by building trust
Increase visibility to AI inventory	Manage risk for a larger volume of AI use cases	Streamline AI development and adoption
Foster an organizational culture that embraces AI	Automate controls and continuous monitoring of compliance	Govern the AI lifecycle from development to deployment

Adapting governance for AI

Traditional governance domain	AI-specific considerations
Governance Strategy, standards, program risk, vendor risk, monitoring and oversight	Establish cross-functional oversight and clear accountability for AI development, deployment, and monitoring.
Policy Alignment to process, risk and control framework, user access management and disaster recovery/resilience plan	Update policies to address AI-specific risks (e.g., explainability, model drift, data use).
Process Process control logs, repository of rules and algorithms, exception scenarios and decision-making, and documenting processes	Document model logic, decision paths, and human-in-the-loop checkpoints, including ethics and privacy assessments.
People Engagement across teams (IT, Risk, Business), instituting effective communication protocol, driving focus toward value-creation	Train teams on AI risks/tool functionality and clarify roles in AI development, oversight and usage.
Technology Cyber threat detection, incident response, threat intelligence, data privacy, code flaws, authentication and post-deployment review	Ensure scalable infrastructure through data lakes, cloud platforms and managed vendor solutions.

Governing the use of AI across the lifecycle



Establishing end-to-end AI governance

AI governance is not a one-time setup – it's a continuous journey that requires a clear roadmap to mature governance capabilities and manage risk at scale.

1

AI Governance strategy and mandate

- Clarify what qualifies as AI across the enterprise.
- Align governance scope with enterprise AI priorities.

2

Define governance model

- Formalize cross-functional oversight and accountability.
- Create a scalable risk evaluation and monitoring framework.

3

Enterprise AI risk framework and risk appetite

- Define acceptable risk thresholds for AI.
- Conduct enterprise level risk assessment.
- Build a common language for categorizing AI risks.

4

AI inventory

- Centralize AI use cases based on governance criteria.
- Catalog all AI models, tools, and vendors in a unified inventory.

5

Policies and procedures

- Draft AI-specific policies and procedures aligned with enterprise controls.

6

Operating model

- Define roles for AI governance functions and across AI lifecycle phases.
- Determine talent acquisition and development needs based on AI strategy.

7

Performance and compliance monitoring

- Track compliance with internal strategy and applicable external regulations.
- Evaluate existing controls across privacy, cyber, ethics, and intellectual property.
- Define KPIs for board-level and regulatory reporting.

8

Enablement and training

- Launch training and tools to build AI fluency and governance capability.

9

Reassessment

- Monitor AI performance and resolve compliance issues.
- Integrate feedback loop into governance updates.

Barriers to scaling Responsible AI

Despite growing interest in Responsible AI, organizations face recurring challenges that stall progress and increase risk related to:

Centralizing visibility into AI initiatives to assess risk, coordinate governance, and avoid duplication of effort.

Updates to operating model, roles and responsibilities, and capabilities for AI development, risk enablement and governance.

Identifying the right infrastructure and tooling that embeds large language model (LLM) safeguards and monitoring capabilities.

Implementing risk tiering and methodology implemented to prioritize oversight and controls for high-impact AI systems.

Establishing formal model validation processes that ensure AI models are performing as expected in production.

Developing holistic AI policies to mitigate the risk of noncompliance with emerging regulations.

Cross-functional responsibility for AI governance

Every area of the organization has a critical role in the AI implementation process.

C-suite/board

- Set the overall AI strategy
- Develop AI Principles and ethical guidelines
- Policy and ecosystem alignment

Center of excellence

- Incorporate risk-based criteria into framework to facilitate development and adoption of AI at scale
- Responsible development, deployment procedures, playbooks.

Enterprise risk

- Develop cross-functional AI governance framework
- Enhance ERM framework to effectively manage GenAI risks
- Tooling (GRC, etc.)

Internal audit

- AI audit strategy
- AI readiness assessment
- AI audit training
- AI audit co-source

Human resources

- Fair hiring and compensation framework
- Responsible AI training
- Change management and communication

Legal and compliance

- Evaluation of upcoming laws, regulations, and regulatory pronouncements
- Development of AI compliance framework

Service providers

- Safeguarding your data
- Informing you on current and planned AI usage
- Managing fourth party risk

04

Regulatory matters

Overview of AI regulatory and policy developments

What's on regulators' minds	▪ Current regulatory frameworks apply to AI (e.g., cyber, privacy, outsourcing of functions) ▪ In the US, the SEC is concerned about "AI washing." Sweeps are being conducted and fines imposed. ▪ In the EU, Parliament's priority is to make sure AI systems used in the EU are safe, transparent, traceable, nondiscriminatory and environmentally friendly.
Country AI regulations	▪ In June 2024, the EU adopted the world's first rules on AI, *EU Artificial Intelligence Act*. ▪ In July 2025, President Trump's administration released *Winning the Race America's AI Action Plan,* which is focused on three distinct pillars: Accelerating AI innovation, Building American AI infrastructure, and Leading in international AI diplomacy and security. ▪ Countries such as Singapore and the United Arab Emirates has decided not to enact a single, stand-alone comprehensive AI regulation, but rather regulate AI through sectoral compliance via existing laws (i.e., The Monetary of Singapore released substantial updates to AI governance requirements through an *Artificial Intelligence Model Risk Management* guidelines. ▪ Earlier this year, the Parliamentary Secretary in the Ministry of Economic Affairs of The Bahamas, made an announcement that The Bahamas government is currently working on formulating a white paper and policy document for review and approval consideration to guide innovation and responsible technology use.

05

Considerations for the use of AI

Questions to ask your team

Vendor selection and management

- Have you established selection criteria for any current or planned AI service providers? How do you oversee our service providers' integration of AI into their products or services?
- Have your vendor management policies and procedures been updated to reflect AI-specific considerations? If so, describe these AI-specific policies and procedures.

Disclosures

- Have you defined a disclosure strategy for AI applications (e.g., in financial statements and/or other documents, such as a prospectus)?
- If so, what criteria do you rely upon to determine whether AI disclosure is necessary?

Compliance

- Do you develop AI models internally or do you outsource to a third-party provider?
- What are the key selection criteria and risk management considerations which are built into the selection of third-party providers?
- Do you have the right skills and capabilities in your team to properly assess AI models or systems and their associated risks?
- How do you plan to upskill your people to keep pace with AI technological developments?
- Describe your AI model testing and validation process, detailing the steps taken to ensure the model performs as intended.
- Describe how you reduce and monitor instances of error or bias in these models.
- If you rely on third-party model providers, please describe how they accomplish these objectives, and what oversight mechanisms you have in place to monitor whether these objectives have been accomplished.
- What controls do you have in place to protect your AI systems from adversarial attacks? What controls do you have in place to prevent harm from improper use of an AI solution?
- What is your process for tracking AI regulations? What steps have you taken to ensure your AI-enabled products, services, and applications are compliant?

Stewardship and proxy voting

- How do you approach AI risks and opportunities in your stewardship efforts? What risks and opportunities are you addressing with portfolio companies?
- For AI-related shareholder proposals, have you defined a voting policy, are you following proxy advisor policies, or are you specifically addressing individual proposals as they arise?

06

Evaluation frameworks

Evaluation framework

The volume of opportunities makes it necessary to prioritize and identify pilot projects.

ROI calculation framework[1]

- Define objectives and KPIs
- Establish a baseline
- Estimate revenue gains and cost savings
- Identify and assess costs
- Determine intangible benefits
- Set a realistic time frame
- Develop a current state scenario
- Calculate the ROI
- Monitor and adjust

AI KPIs[3]

- For every US$1 invested, the average ROI was $3.7x, while top leader are achieving an average of $10.3x.
- On average, an AI deployment takes less than eight months, and organizations realize value within 13 months.

Ten questions to ask during your evaluation[2]

1	Will this save us time and enable us to move faster?
2	Is this more cost-effective to what we have now?
3	Does this improve the quality of the end output?
4	Will this scale and handle an increased workload?
5	Is this consistently reliable and dependable?
6	Can this be flexible to changing circumstances?
7	Does this learn and will improve over time?
8	Will our people/investors find this easy to use?
9	Is this customizable to meet our needs?
10	Does it integrate with our existing systems?

[1] A Framework for Calculating ROI (Microsoft), techcommunity.microsoft.com/blog/machinelearningblog/a-framework-for-calculating-roi-for-agentic-ai-apps/4369169
[2] 10 Essential Questions to Evaluate AI (Medium.com), medium.com/gptalk/10-essential-questions-to-evaluate-ai-will-your-solution-pass-this-test-f0ccb9dd71a8
[3] IDC's 2024 AI opportunity study: Top five AI trends to watch (Microsoft), blogs.microsoft.com/blog/2024/11/12/idcs-2024-ai-opportunity-study-top-five-ai-trends-to-watch/

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