AI Hype vs Reality

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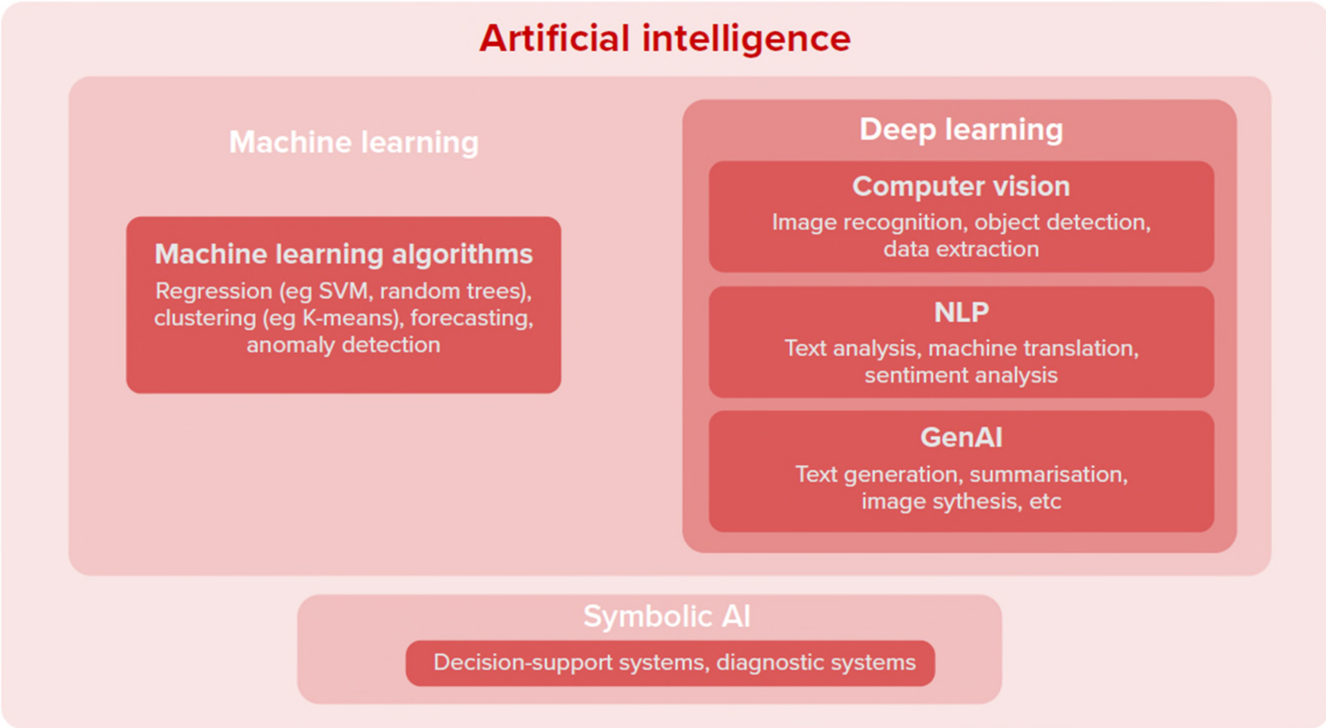
ACCA Policy and Insights

The evolving AI family

AI encompasses a family of technologies - each with unique applications

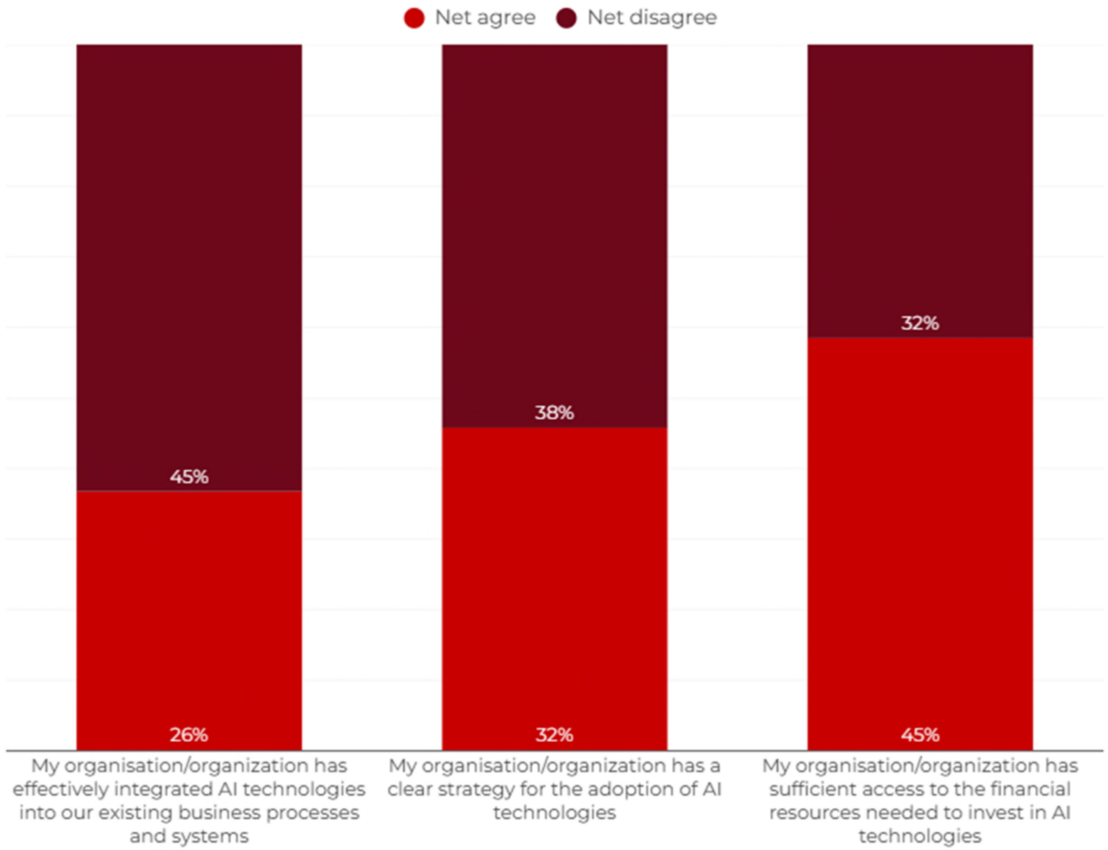


The next iteration: agents

Task Execution
- Automated bookkeeping
- Bank reconciliation
- Payment processing
- Data verification

Interactive Support
- Client query resolution
- Compliance monitoring
- Process optimisation
- Automated reporting

The state of implementation



ACCA and IMA GECs survey, Q4 2024

What do we currently use AI for?

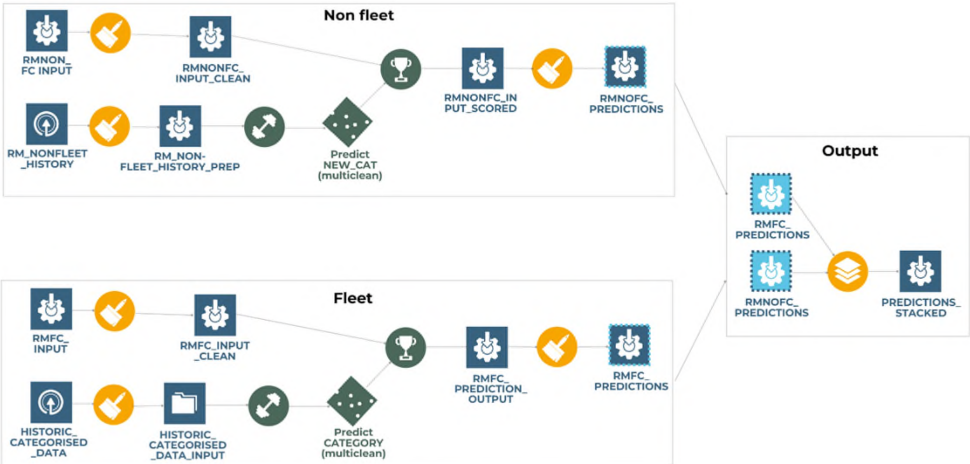
33% Data analysis and reporting	**31%** Financial planning and analysis	**24%** Accounts payable / receivable	**21%** Tax preparation and filing
28% Invoice and payment processing	**28%** Office productivity	**21%** Fraud detection and risk management	**20%** Reconciliation

What are the top challenges we face?

Uncertainty about the right solution	Integration with existing systems
Data privacy and security concerns	Insufficient governance and oversight

Example – ML for cost analysis

- Streamline the analysis of one of the company's largest non-payroll expenses
- Collaboration with an internal data science team to develop and implement
- Allowed the finance team to analyse and categorise approximately 280,000 lines of R&M data – a task that previously required two to three days of manual work each month



Integrating AI and Copilot(s)

Formula creation

e.g. describe what you need in plain language, iterate to build complex formulas

Excel analysis

e.g. 'what are the top three expense categories this quarter?'

PowerBI integration

e.g. generate DAX formulas and create visualisations through conversational requests

Report generation

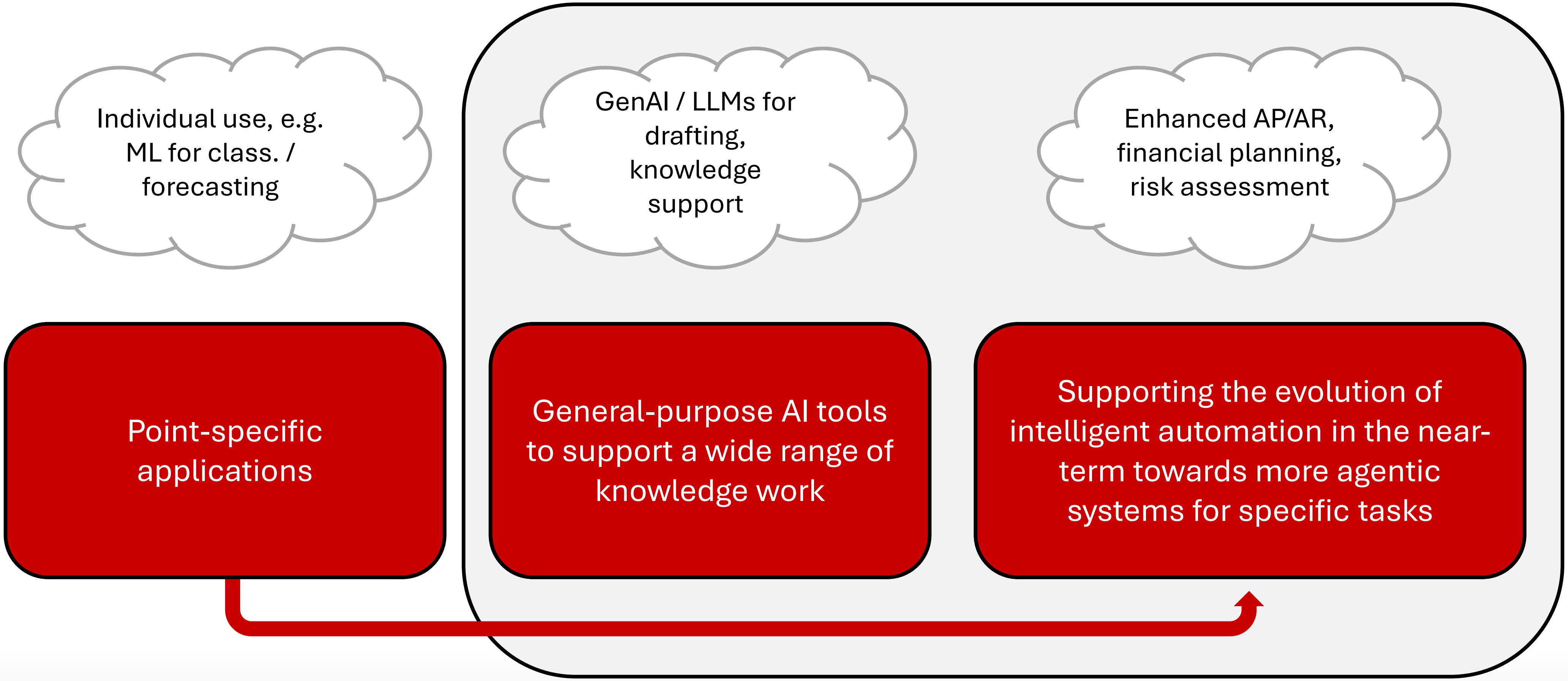
e.g. transform data into narrative reports that stakeholders actually understand

Example – GenAI enhancing finance operations

1. In-house, fine-tuned chatbot: an in-house version of ChatGPT for process-driven productivity across various departments, including finance.
2. Microsoft Copilot: used for personal productivity, leveraging existing Microsoft licensing.
3. GitHub Copilot: employed for software development and coding tasks.

1. Investor relations: utilising public data to enhance investor communication and analysis.
2. Credit analysis: automating the review of customer financial reports for credit worthiness assessment.
3. Internal manual processing: converting accounting and finance manuals into interactive, AI-driven models.
4. Balance sheet review: using generative AI to produce initial narratives for flux analysis, reducing manual effort by up to 80%.

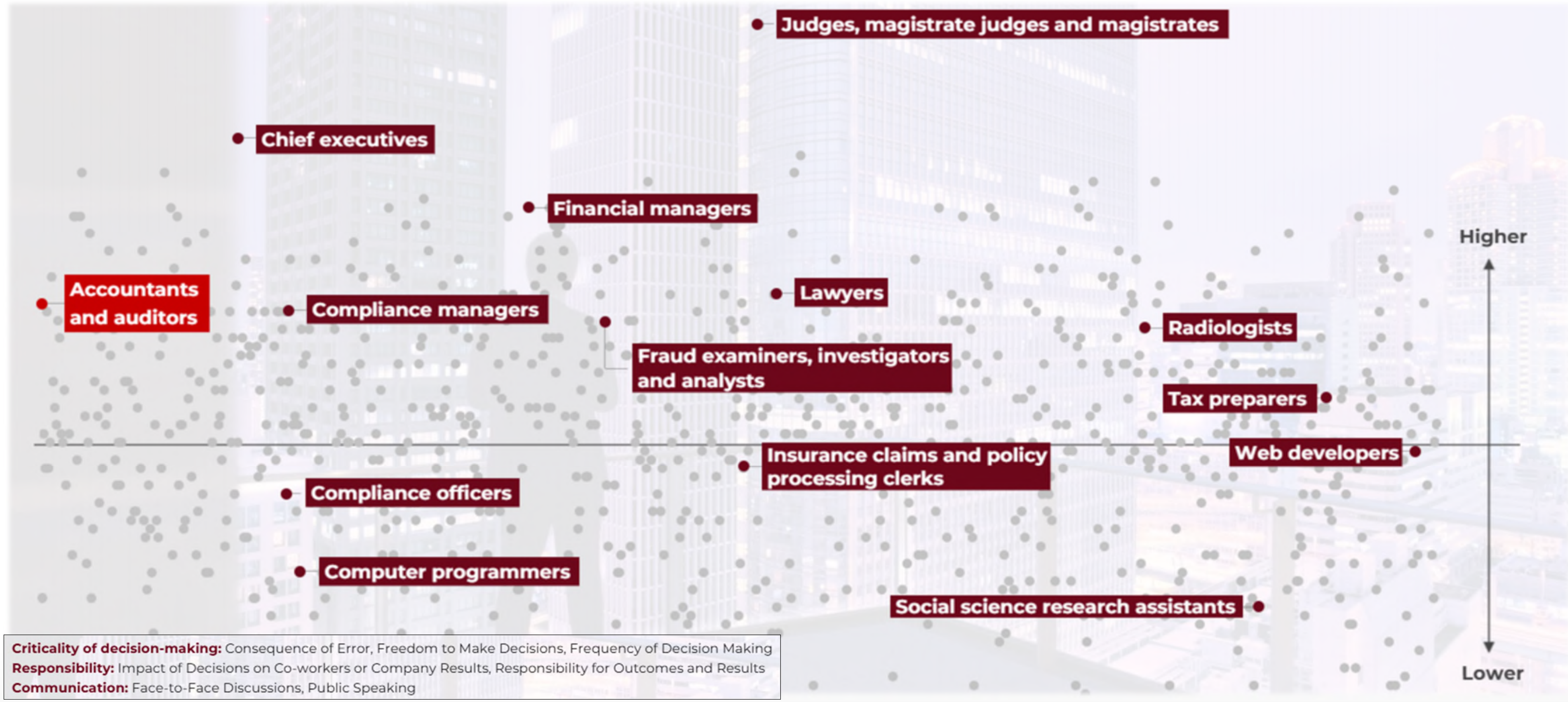
Integrated workflows represent greatest opportunity



Projecting AI's impact on the profession

There are broad opportunities to leverage AI or automation

But contextual constraints will shape opportunities



What does this mean for our profession?

Contraction in routine processing tasks	Evolution of mid-level roles to incorporate more judgement and client interaction	Expansion in strategic and advisory	New roles at the intersection of accounting, technology, and strategy

Decreasing demand ← Transformation → Increasing demand/ emerging

The Death of "I Don't Know"

Is AI making us smarter or just more certain?

EEOC Sues iTutorGroup for Age Discrimination

Hackers Hijack AI: Google Warns Of Gemini Misuse By Cybercriminals

Seán Ó hÉigeartaigh
@S_OhEigeartaigh

So we're not allowed to talk about thes
now.

"The US has also demanded that the final statement excludes any mention of the environmental cost of AI, existential risk or the UN."

Zillow wrote down millions, slashed workforce due to algorithmic home-buying disaster

Air Canada must pay damages after chatbot lies to grieving passenger about discount

260 McNuggets? McDonald's ends AI drive-thru tests amid errors

News

NYC's AI Chatbot Tells Businesses to Break the Law

Europe's CEOs Must Speak Up on AI Regulation

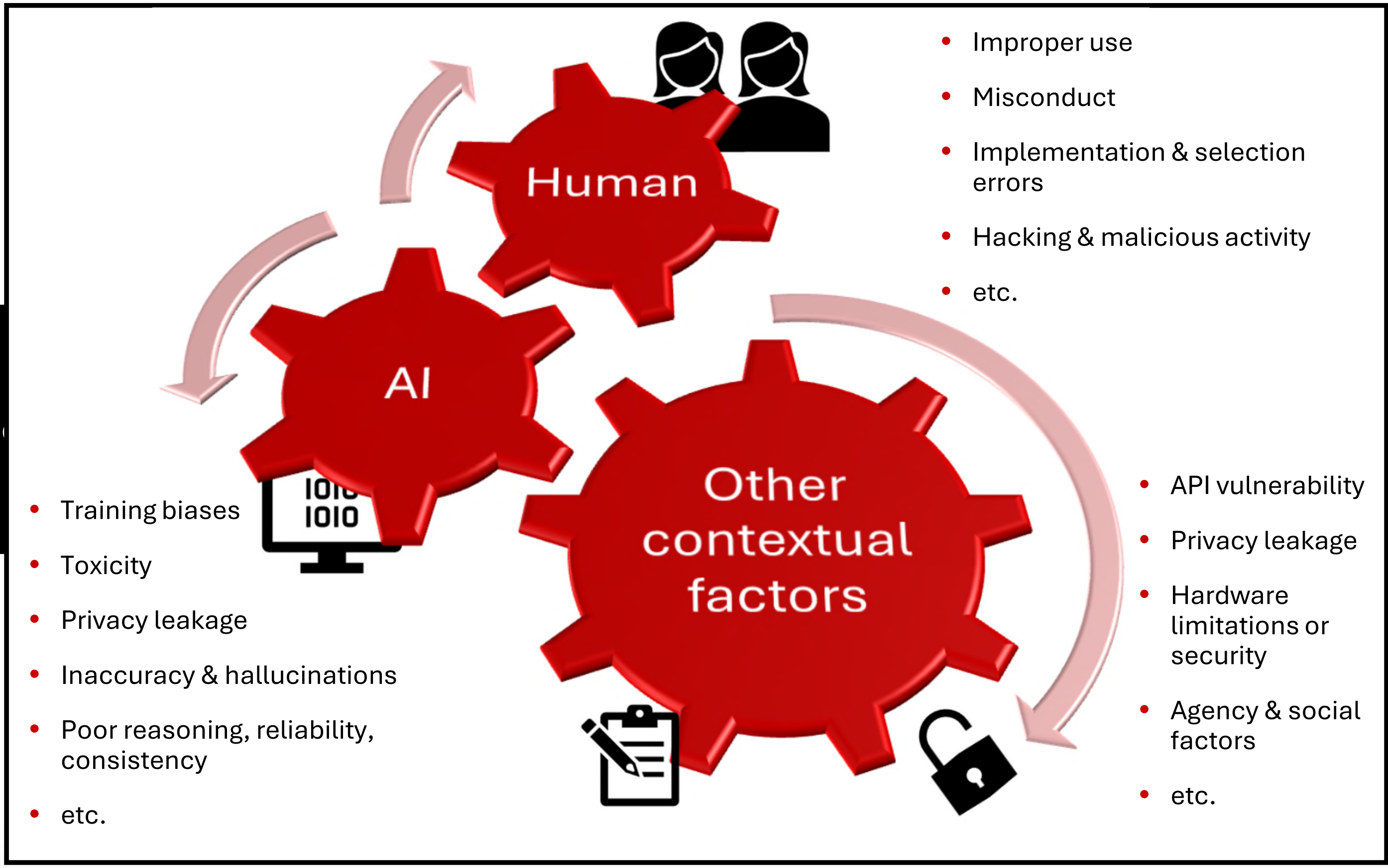
Jan 10, 2025 | SYLVAIN DURANTON and KIRSTEN RULF

41% of companies worldwide plan to reduce workforces by 2030 due to AI

By Olesya Dmitracova, CNN

Business value from GenAI remains elusive despite IT spending boom

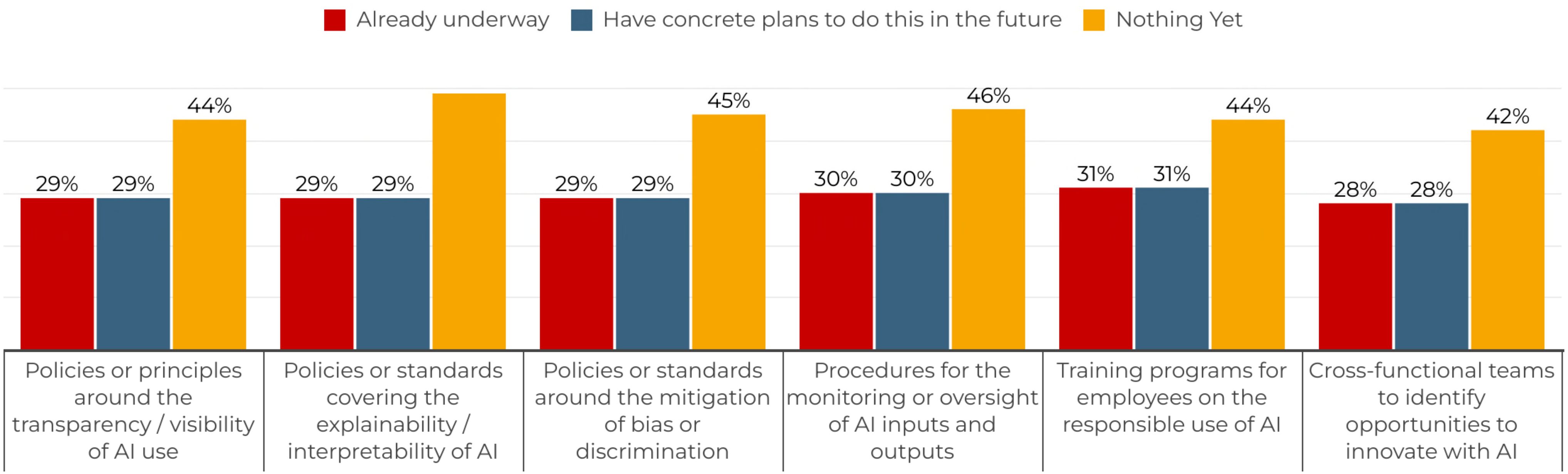
AI risk entails multiple factors



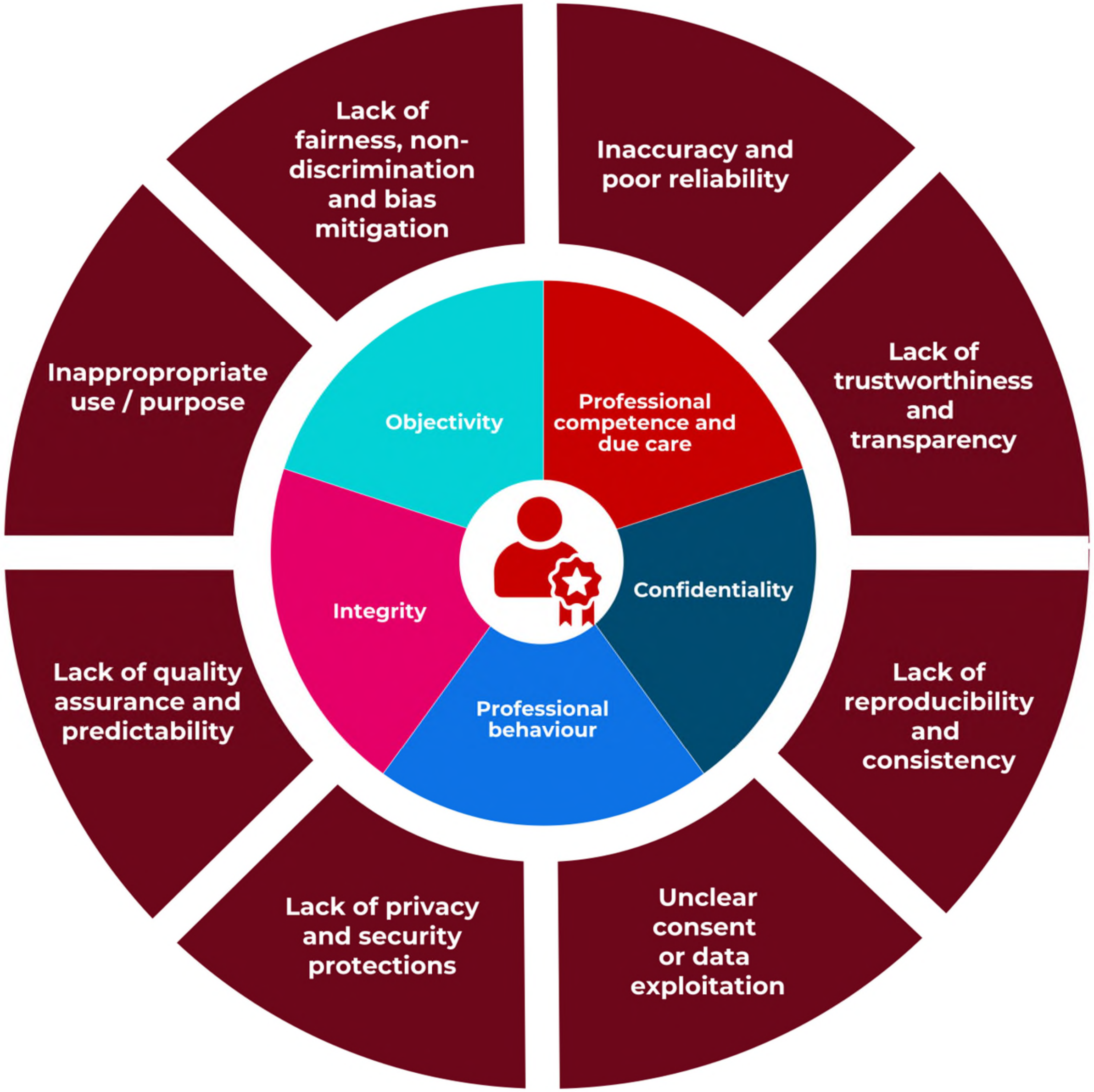
Adapting audit considerations for AI

AI system characteristic	AI-specific audit risk	Required focus shift
Opacity / complexity (i.e. black box)	Inability to trace results, lack of explainability, potential for bias	Shift from output testing to validating governance structures and system design controls
Data dependency	Data privacy breaches, poor quality data, drift leading to unreliable results	Emphasis on data strategies, testing data integrity, security and compliance
Automation and speed	Diminished human review, rapid error propagation, failure to identify ethical threats	Testing human oversight controls at critical checkpoints

But policies and governance are a work in progress



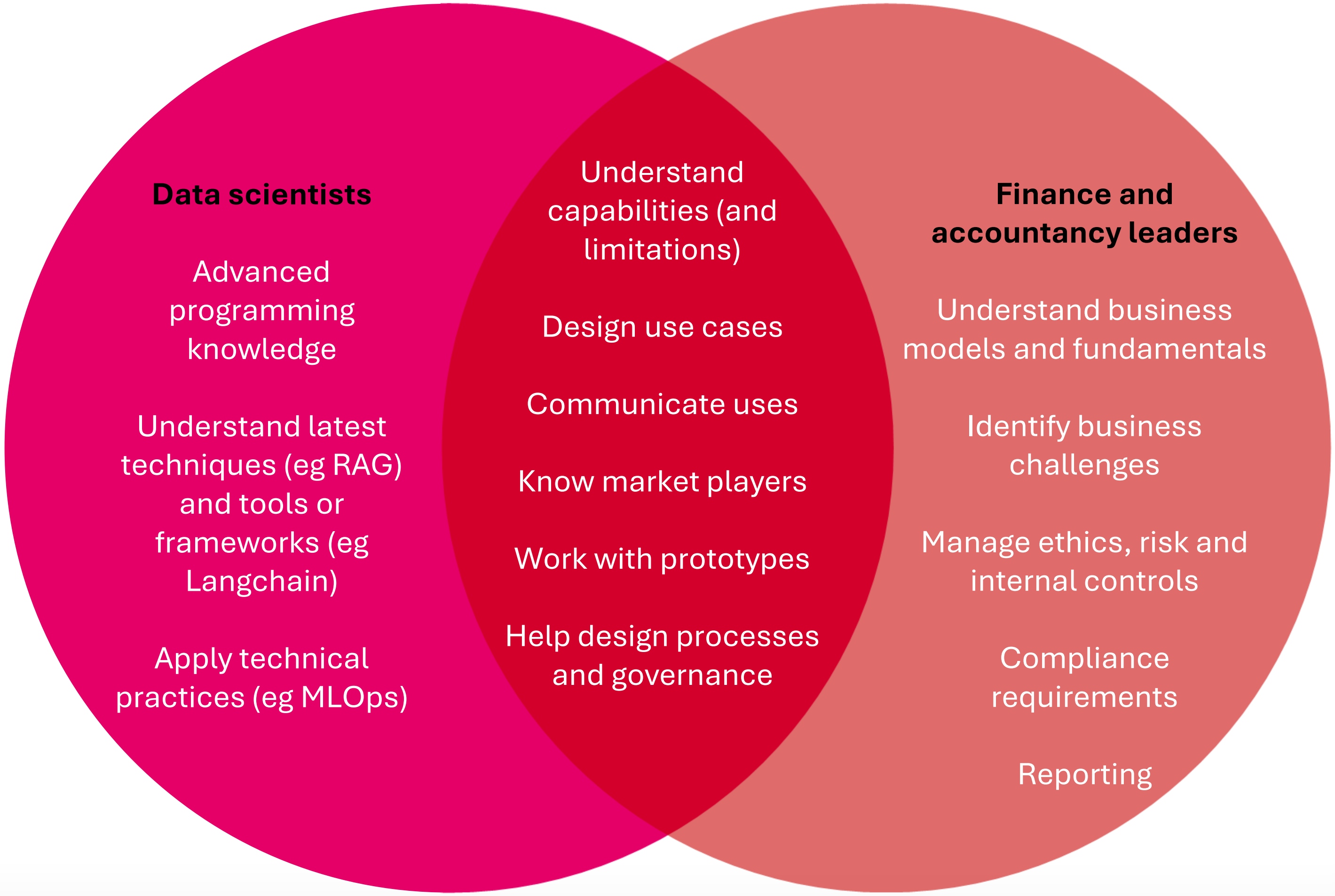
Some of the key ethical threats to our fundamental principles for finance professionals raised during roundtable discussions, which make our fundamental principles to manage them even more important



ACCA

AI literacy is a core future skill

The core tenets of AI literacy for accounting professionals address specific capabilities

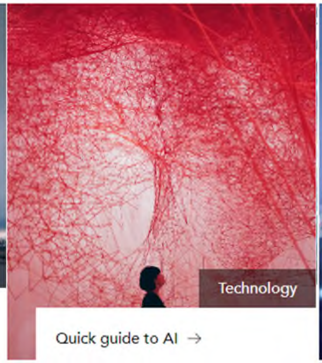


Hype vs. reality: the new skill imperative

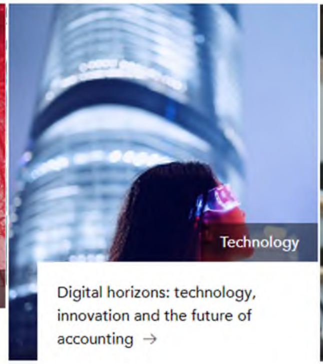
The hype	The reality	Implications for professionals
AI replaces all accounting functions	AI works well for routine tasks, enabling efficiency gains	Shift focus from execution to management and oversight
Human judgement becomes obsolete	Increased demand for strategic insight, ethical judgement and complex advisory capabilities	Judgement, integrity and handling uncertainty become highest value professional assets
Accountants lose professional relevance	Accountants become technology translators, driving and shaping AI and data strategies	Necessity of upskilling in digital fluency and governance

Risk culture: building resilience and seizing opportunities →

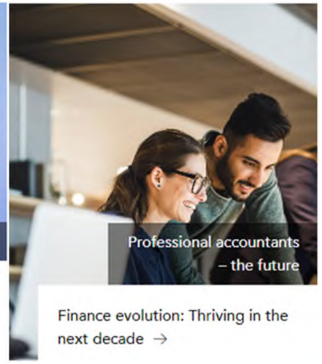
Building the foundations for trusted artificial intelligence →



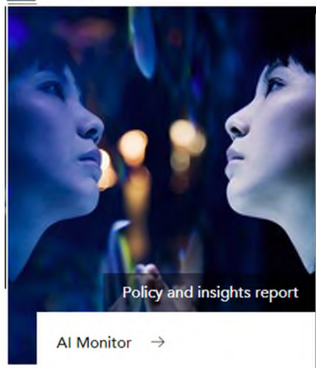
Quick guide to AI →



Digital horizons: technology, innovation and the future of accounting →



Finance evolution: Thriving in the next decade →



AI Monitor →

The Smart Alliance: Accounting expertise meets machine intelligence →

Next in ACCA's **AI Monitor series:** *Risk & responsibility*

The ACCA AI Hub

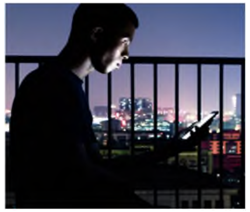
showcases our extensive range of insights, CPD webinars and events, articles and technical activities – including units of free verifiable CPD

AI Quick Guide

Read our new AI explainer outlining both the big picture and the impacts on accountants

AB Articles

We explore how AI has helped with risk, supply chains, financial statements and more



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Courses

Get started by taking our introductory courses on AI and machine learning

Research

Explore our latest insights in this area including on AI and trust, regulation and ESG

What ACCA Thinks

Our position on AI looks ahead and explores its potential impacts, benefits and risks

ACCA Learning – courses and certificates

Introduction to AI

Machine learning: an introduction for finance professionals

Accounting & Finance in a Digital Age

Certificate in FinTech for Finance & Business Leaders

Robotic process and intelligent automation for finance

Robotics in finance: the future