



AI in finance: US report

Transforming into a new era with
the AI-empowered finance function

KPMG. Make the Difference.



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Introduction

Artificial intelligence (AI) has already begun to transform business processes and capabilities—and finance is in the vanguard of this revolution.

In April 2024, KPMG conducted a study of 1,800 companies spread across 10 major economies and found that almost three-quarters were already using AI to some degree in their financial reporting processes, with virtually 100% expecting to do so within the next three years.

Ordinarily, one would wait a year or more before conducting follow-up research — but AI is no ordinary topic. Such is the pace of its development — and the speed of its adoption — that we decided to carry out further research in September 2024 to see what had changed. We significantly expanded the research sample, widening the number of countries from 10 major markets in North America, Europe, and Asia to 23 developed and emerging markets across all world regions. Of the 2,900 financial executives surveyed, 300 worked for US companies.

This report focuses on the results from the survey of US-based companies. It revealed that AI has already moved on significantly in only half a year. More companies are rolling out AI, and not only within their financial reporting processes but across wider areas of finance, including accounting, financial planning, treasury management, risk management, and tax management. More companies are moving onto the “hot ticket” of generative AI.

The reasons aren’t hard to uncover. Embedding AI brings significant and tangible benefits with faster, more efficient processes, more granular data analysis and accuracy, and better predictive power. This enables finance staff to get more done and faster and to spend more time on value-adding tasks and activities.

As a result, AI is yielding significant ROI. Among the cohort of leading adopters among the US companies in the survey sample, 61% said that ROI is not just meeting expectations, it is beating them.

Even among US businesses in the earlier stages of AI adoption, 33% said the same. That’s a remarkable achievement.

While there are barriers to overcome and risks to avoid, the effort is worth it because the benefits are real. For this reason, we can expect AI adoption to accelerate among US companies over the coming years. The finance operations of tomorrow will be vastly different from those of today. CFOs and their teams need to be preparing the way right now.

In all of this, there is a key part for auditors to play. The role of the auditor is evolving as companies look to them for support around reviews of their AI controls, governance maturity assessments, and attestation of the technology being used. Companies also expect their auditors to use AI within their own auditing processes, bringing them a smarter, more real-time, and insight-laden audit experience.

We hope this report brings you fresh and illuminating insights that will help you in your own AI journey. To provide further assistance, we have developed a KPMG AI maturity benchmarking tool to help you assess your progress and identify further key actions to take. (See p. 6 for the Maturity Index tool)

Without doubt, AI is a game-changer. We are here to help you navigate what is already one of the biggest business transformations since the internet itself was born.



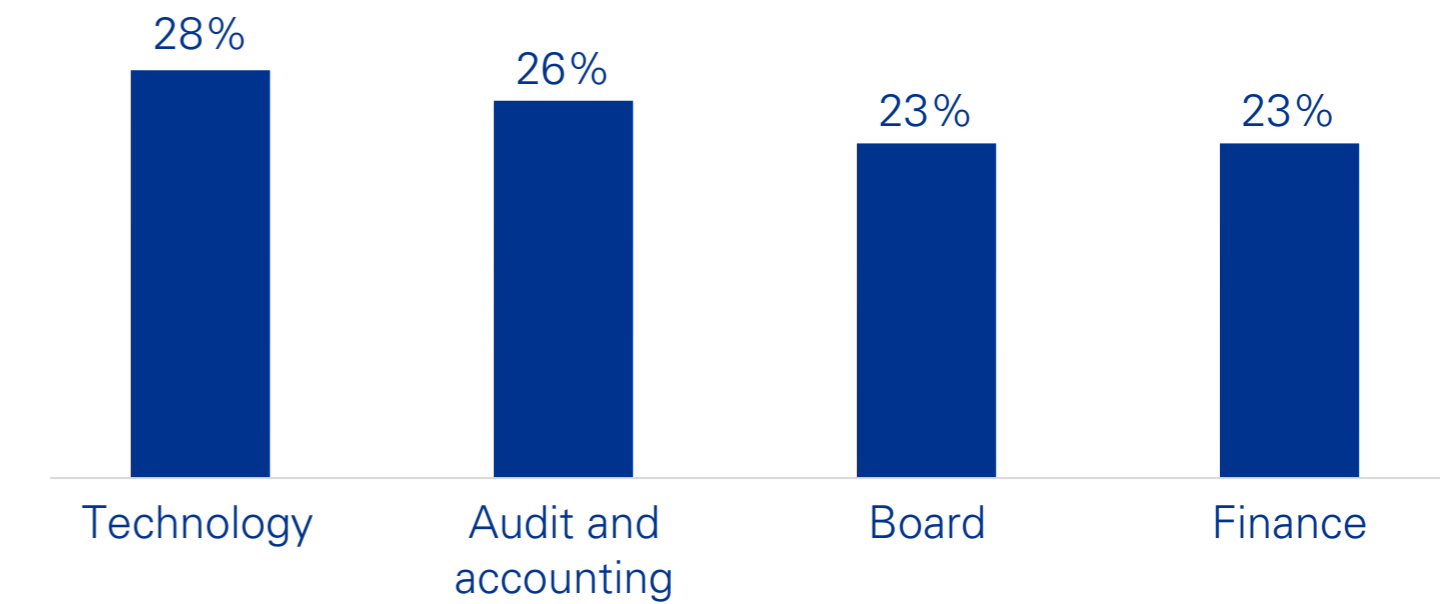
Survey sample

KPMG developed an expanded, follow up survey which widened the sample to include 2,900 financial executives distributed across multiple executive titles and four general roles: technology, audit and accounting, board of directors, and finance. The respondents were from a range of industries and were predominantly (70%) from large companies with over \$10 billion in revenue.

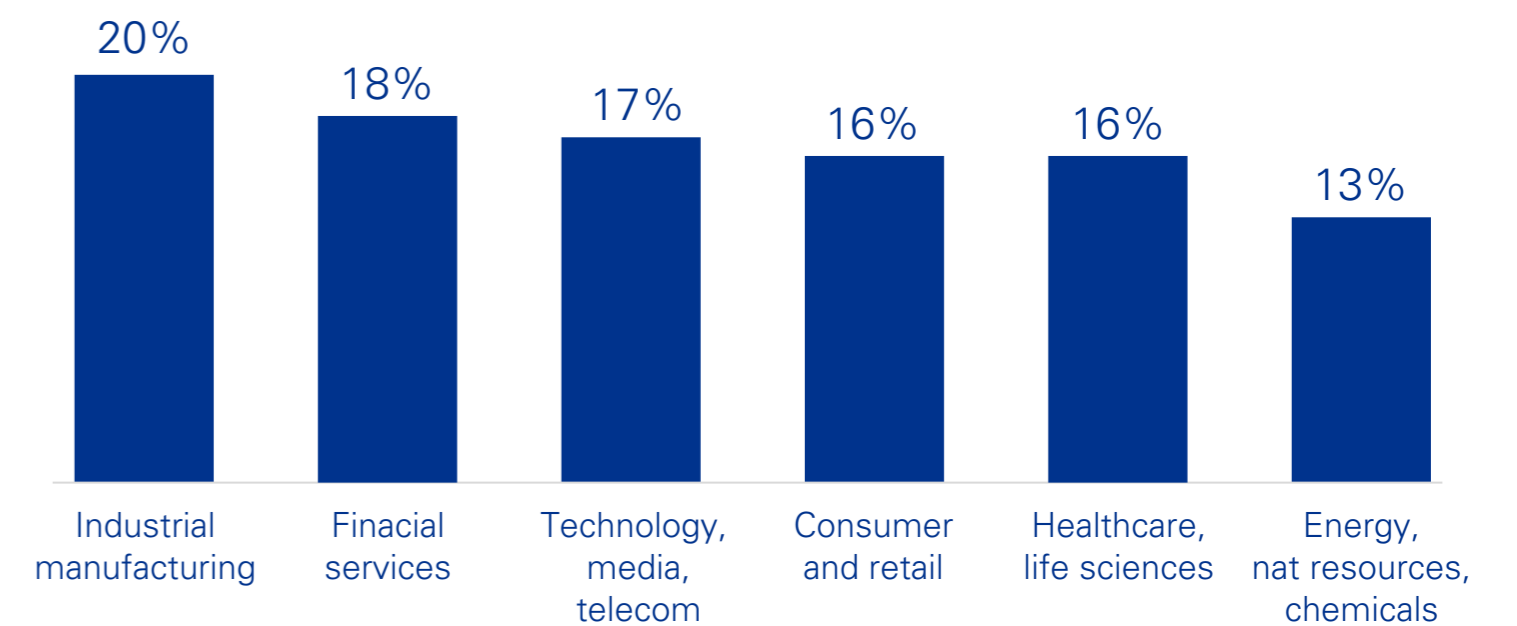
US respondents by title

Manager	14%
Audit Committee Director	9%
Chief Digital Officer	9%
Chief Information Officer	9%
Chief Audit Executive	8%
Chief Financial Officer	8%
Head of Financial Reporting	8%
Chief Accounting Officer	7%
EVP/SVP/VP of Finance	7%
Chief Technology Officer	6%
EVP/SVP/VP of Audit/Accounting	6%
Chief Data Officer	5%
Controller	5%

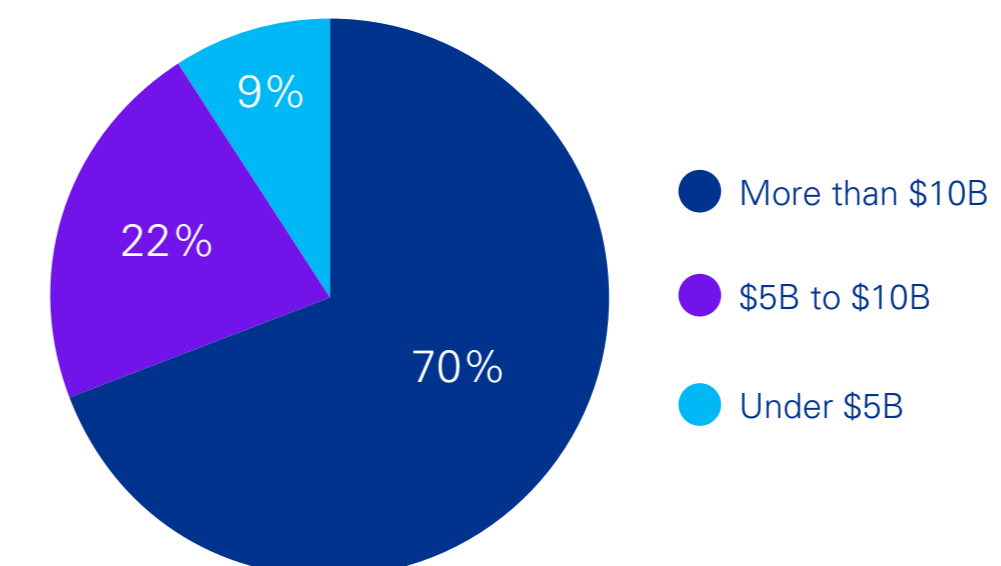
US respondents by role



US respondents by industry



US respondents by revenue





Our maturity framework

To assess progress made in using AI for financial reporting and across finance, we created an AI maturity framework based on three survey questions (see Methodology appendix for details):

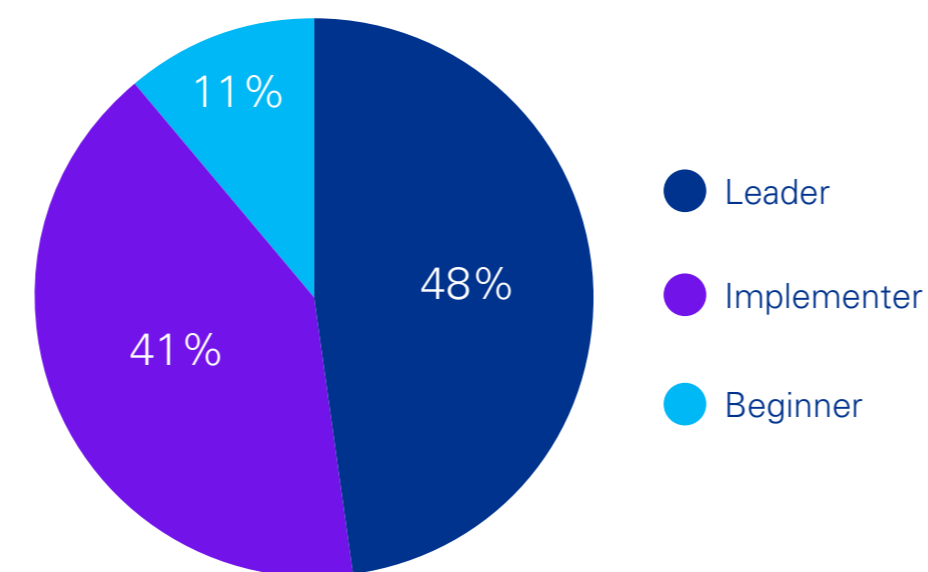
- Q8. Over the past six months, how much progress has your company made in the use of AI, specifically in financial reporting? How much progress does your company plan to make in three years?
- Q9. Over the past six months, how much progress has your company made in the use of generative AI, specifically in financial reporting? How much progress does your company plan to make in three years?
- Q13. How much progress has your organization made in leveraging AI across the following financial areas? (risk management, treasury management, accounting, financial planning, and tax operations, reporting, and planning)

Based on responses to these questions, we grouped the US respondents into three categories: 11% were beginners in AI usage, 48% were implementers, and 41% were leaders.

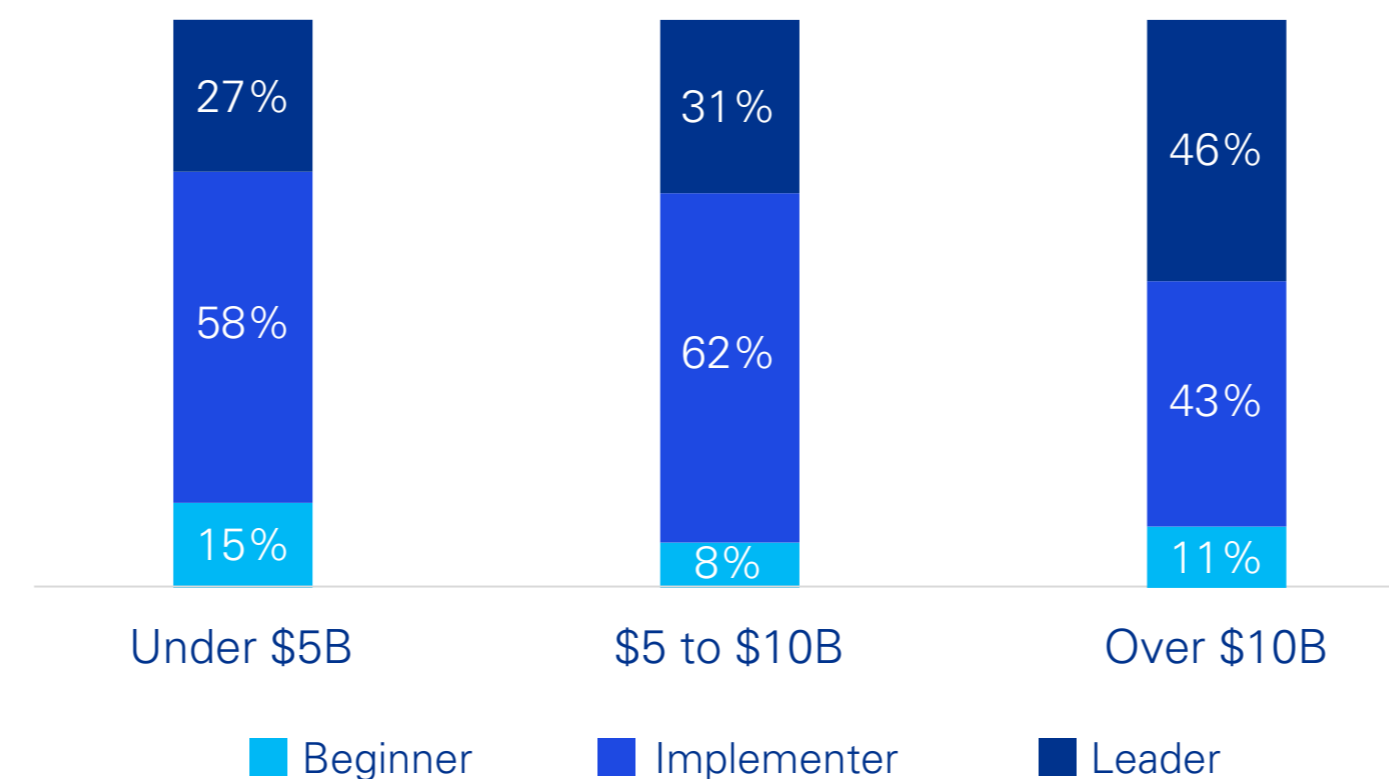
Consumer and retail, as well as energy and natural resources, have the most leaders, at 45% each. They are followed by technology, media, and telecoms (44%) and healthcare and life sciences (43%). Industrial manufacturing lags (32%).

Larger companies are more likely to be AI leaders: 46% of those with revenue over \$10 billion qualify as leaders.

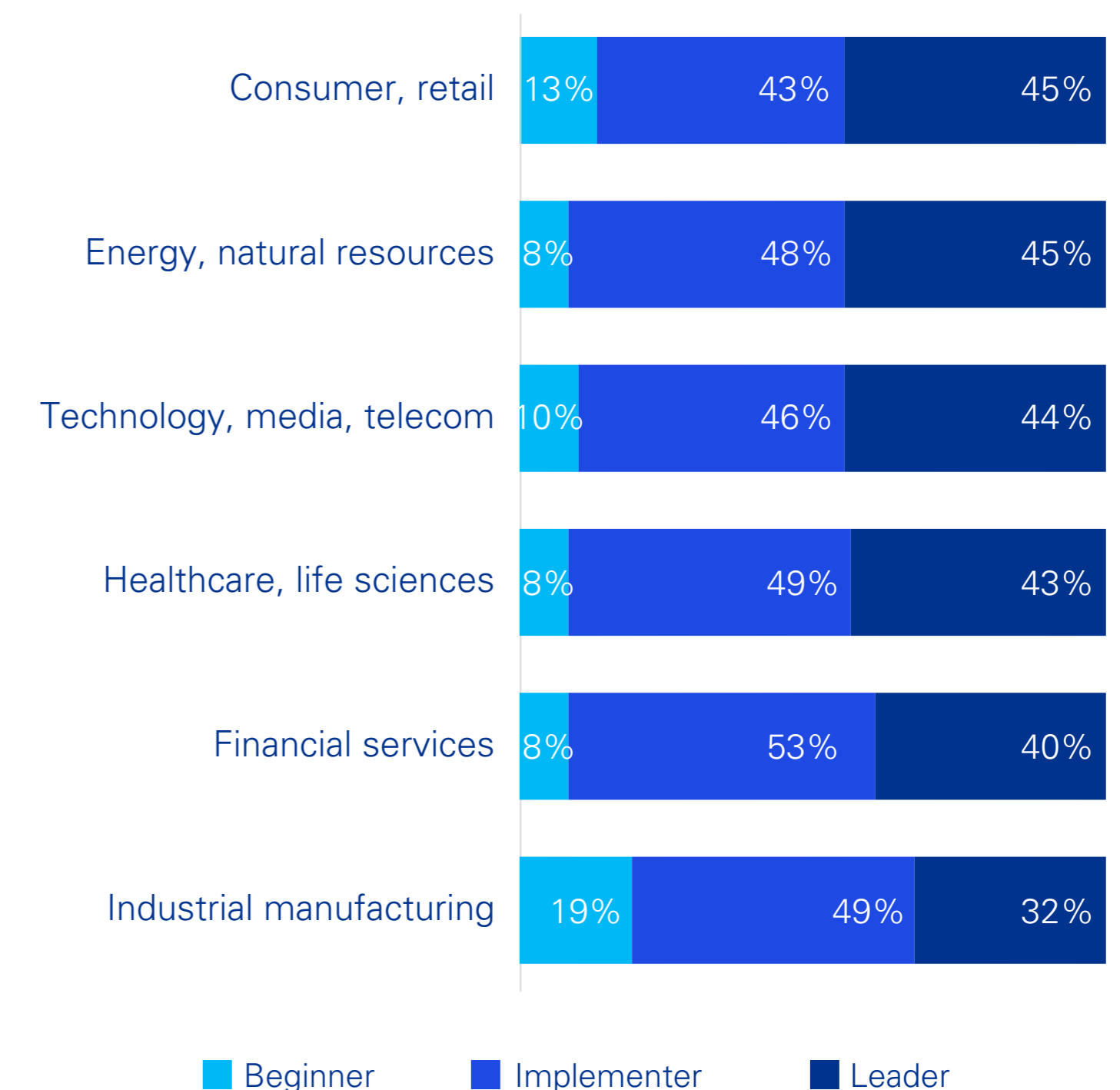
Maturity breakdown



Maturity by revenue



Maturity by industry





KPMG AI Maturity Assessment Tool: How does your organization measure up?

KPMG has developed a [benchmarking tool](#) designed to help organizations assess their progress in the AI transformation journey. Take our quick assessment to see where your organization stands.

01.

Is your organization a leader, implementer, or beginner?

02.

KPMG has developed a diagnostic tool to help organizations assess their progress in the AI transformation journey.

03.

Take our quick assessment here to see where your organization stands.

04.

This will identify strengths and weaknesses based on your answers — and highlight areas for prioritized action based on your industry.



Transforming finance through AI





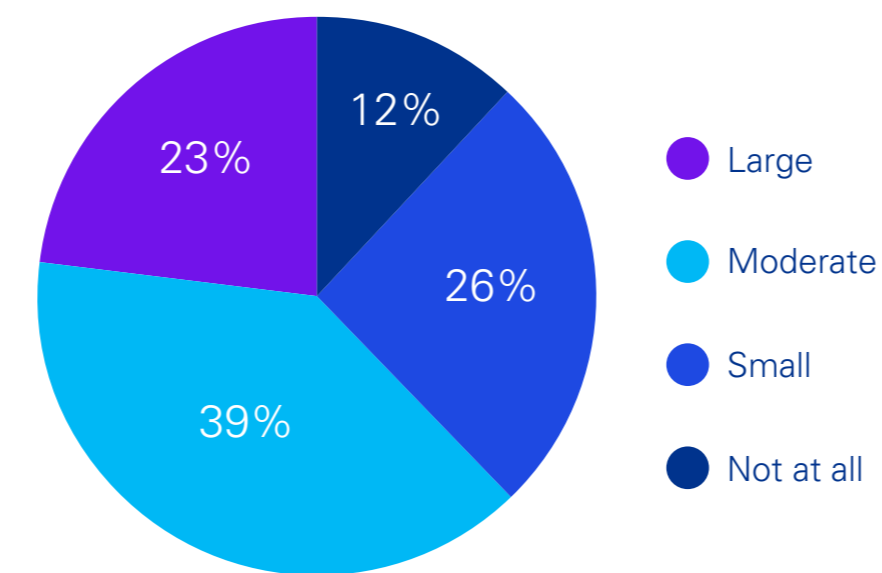
AI is a game-changer for finance

In companies around the world, we are seeing the birth of the AI-empowered corporate finance team—a development that is generating a rich range of benefits to organizations. These include increased efficiency and accuracy, reduced human error, faster and better data-based decision-making, lower costs, and improved regulatory compliance.

Our research shows that the use of AI is expanding particularly quickly across corporate finance among companies based in the US: 88% are using AI in finance, and 62% of them to a moderate or large degree.

According to survey responses, when compared to other countries, US companies are second only to China-based companies in their use of AI in finance to a moderate or large degree.

Degree to which US companies use AI in finance



“

After witnessing exceptional results from this technology, our team has encouraged cross-departmental collaboration to seamlessly integrate AI solutions and achieve more positive outcomes. ”

Audit team director
Chemicals company

US vs. other countries: moderate or large degree of usage

China	66%	Singapore	34%
US	62%	Italy	32%
India	51%	Dubai	23%
Korea	49%	Spain	23%
Germany	47%	Ireland	22%
Japan	47%	Saudi Arabia	21%
France	43%	Africa South Africa, Nigeria, Kenya	16%
Netherlands	43%		
Switzerland	42%		
UK	41%		
Canada	39%		
Mexico	39%		
Australia	35%		
Brazil	35%		



AI usage is spreading across all finance

Companies based in the US are turning to AI in every area of corporate finance. The accounting and financial planning groups are furthest ahead in using AI because of the benefits it brings to many of their activities, from improved data processing and financial reporting to real-time insights and predictive analysis. Currently, more than three-quarters of companies are piloting or using AI for accounting and financial planning.

Other areas of finance are following suit: more than 60% of US companies are now piloting or using AI for treasury and risk management, as well as for tax operations.

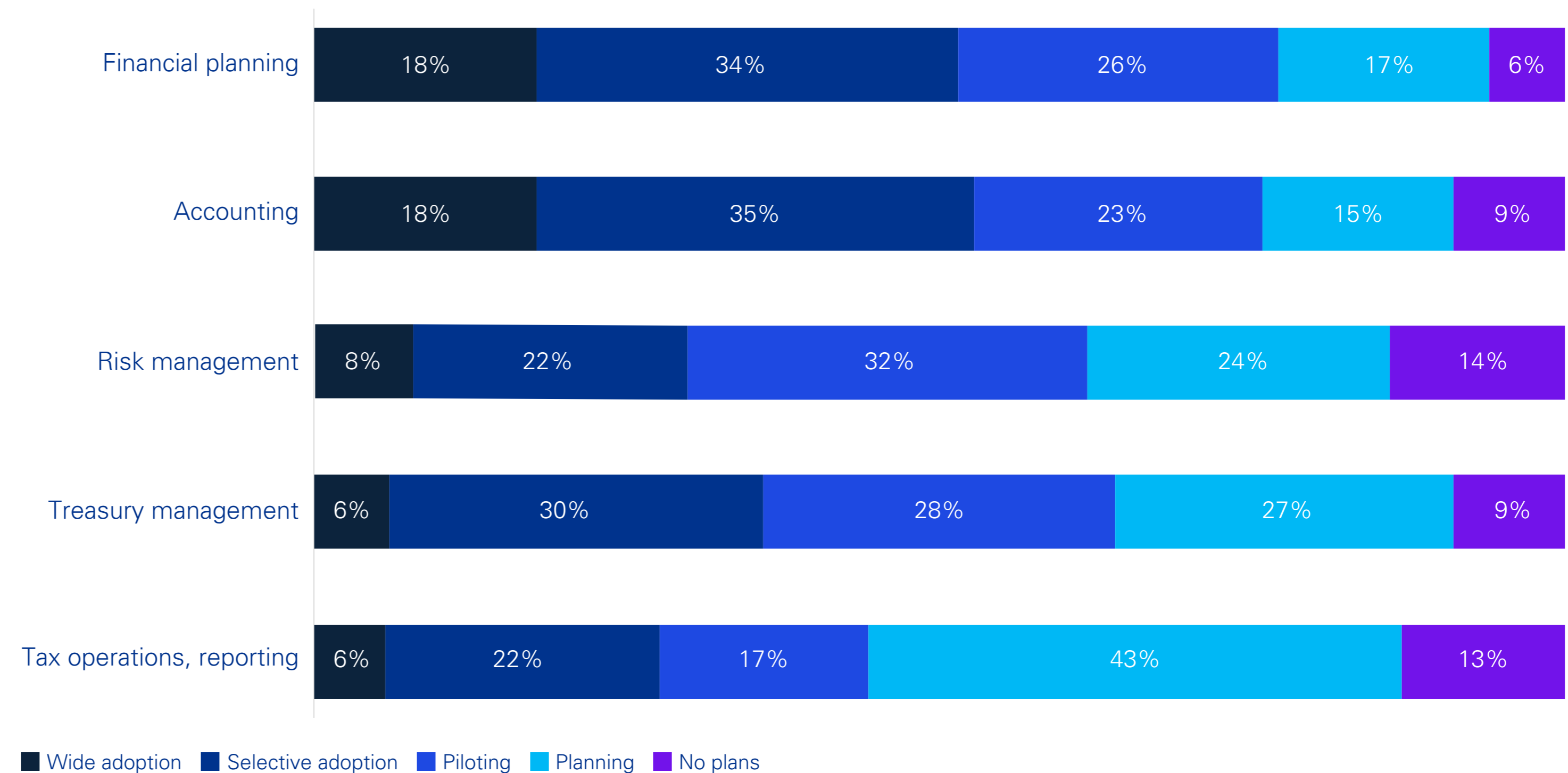
In the treasury and risk management functions, AI usage can generate better debt management, cash-flow forecasting, fraud detection, credit risk assessment, and scenario analysis.

Tax management trails behind other finance areas

Less than half of companies are now piloting or using AI for tax management, with 43% still in the planning stage. Progress in AI usage for tax operations has been delayed for many reasons, including complexity of tax regulations, lack of up-to-date data, onerous legacy systems, and the reliance on human judgment for many tax-related decisions.

Still, AI can support tax operations and reporting by tracking tax regulations, automating report generation and other tasks, creating audit trails, identifying tax savings, and through predictive and scenario analysis. Said a manager with a very large tech company: "We use AI to monitor and comply with the dynamic landscape of regulations and tax laws."

Progress made by US companies in the use of AI in finance areas





Finance unlocks value from AI investments

Finance teams in US companies are investing in a mix of AI technologies, from chatbots and natural language processing to anomaly detection and computer vision. But they find the most value in sophisticated technologies, such as machine learning, deep learning, and Gen AI.

Companies use machine learning for applications such as credit scoring, risk assessment, fraud detection, and predictive analytics. Deep learning is often used for risk modeling and portfolio management, and Gen AI for content generation, scenario planning, and devising investment strategies.

By far, most US companies report that the ROI on using these technologies is meeting or exceeding expectations—an outcome that will propel AI usage across industries in the future.

“We have automated our financial tasks, which has increased our operational efficiency and helped us in delivering better results in all areas including ROI,” said an audit committee director with a retail company.

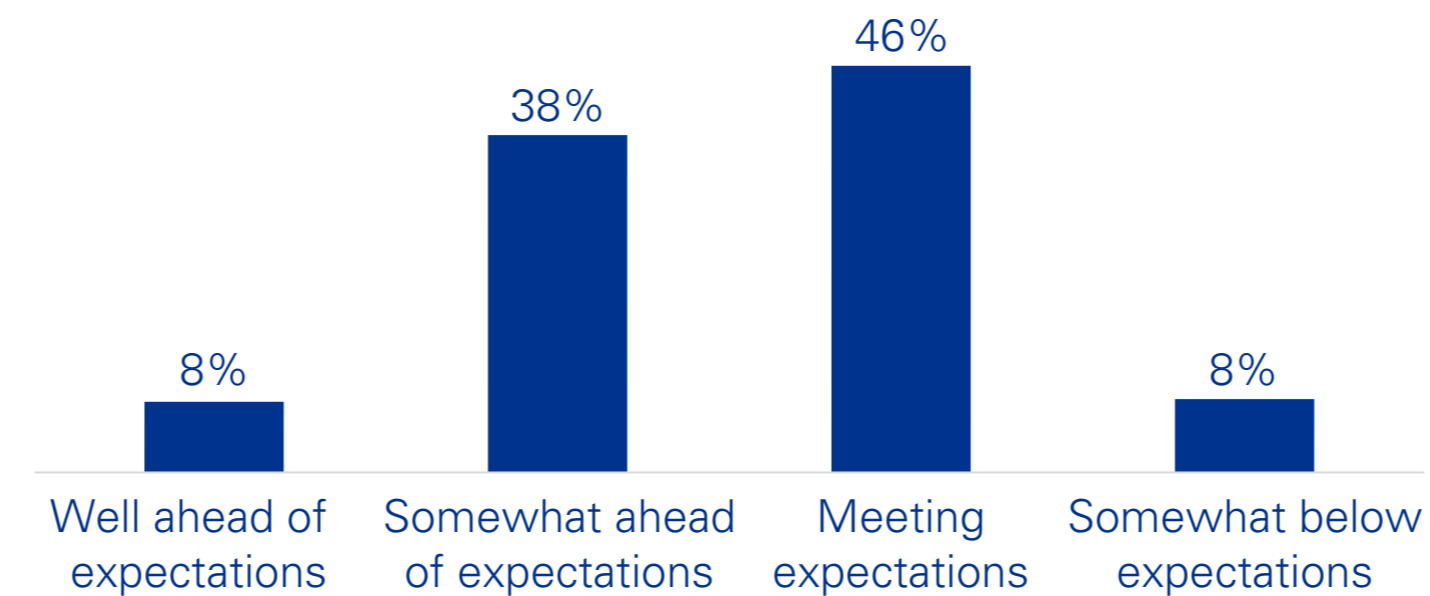
The focus on AI in finance is part of a bigger AI trend happening across industries. Companies in the US on average are spending about 10.8% of their IT budgets on AI technologies and solutions. The percentage will jump to 15.5% over the next three years.

Q15. What portion of your company’s overall IT budget is now spent on AI-related activities and what portion does it plan to spend on AI over the next three years?

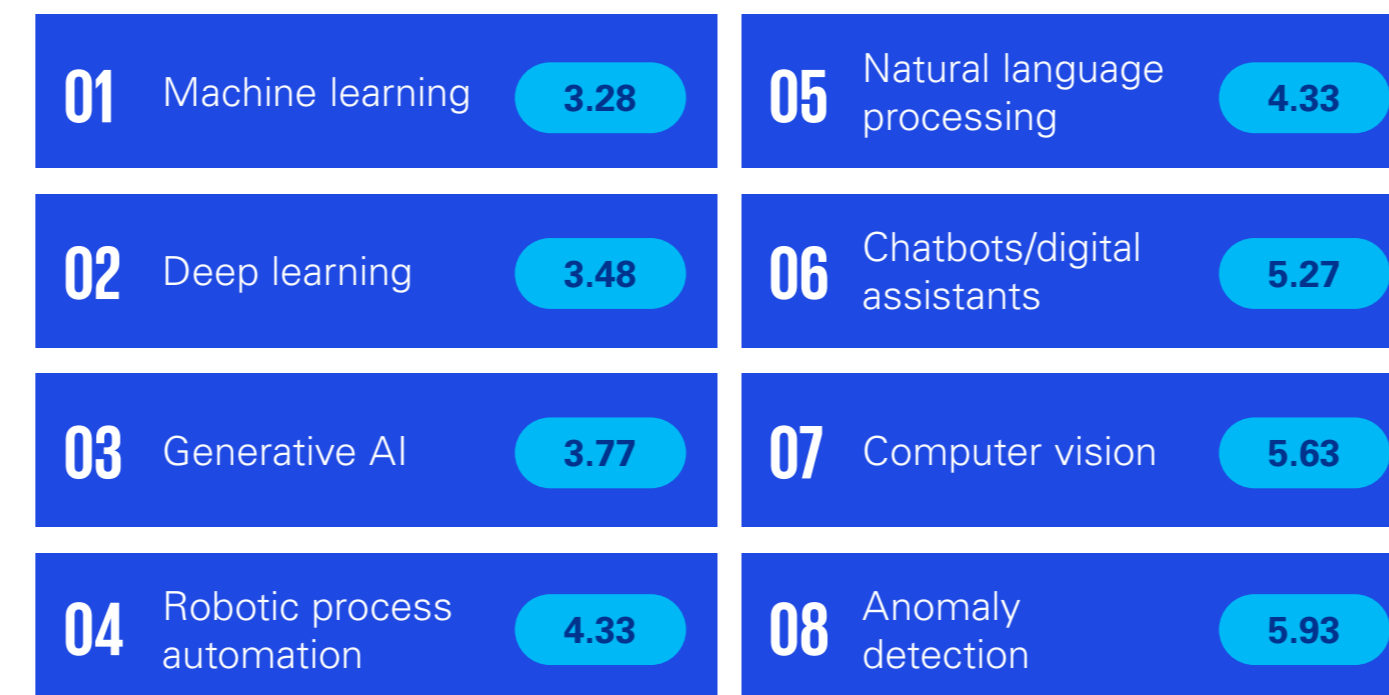
Q16. In general, how well is the ROI on finance’s AI initiatives meeting expectations?

Q18. How much value do you see in using the following AI technologies in your finance function? [Rank these in order of importance].

ROI on AI investments in finance across all respondents

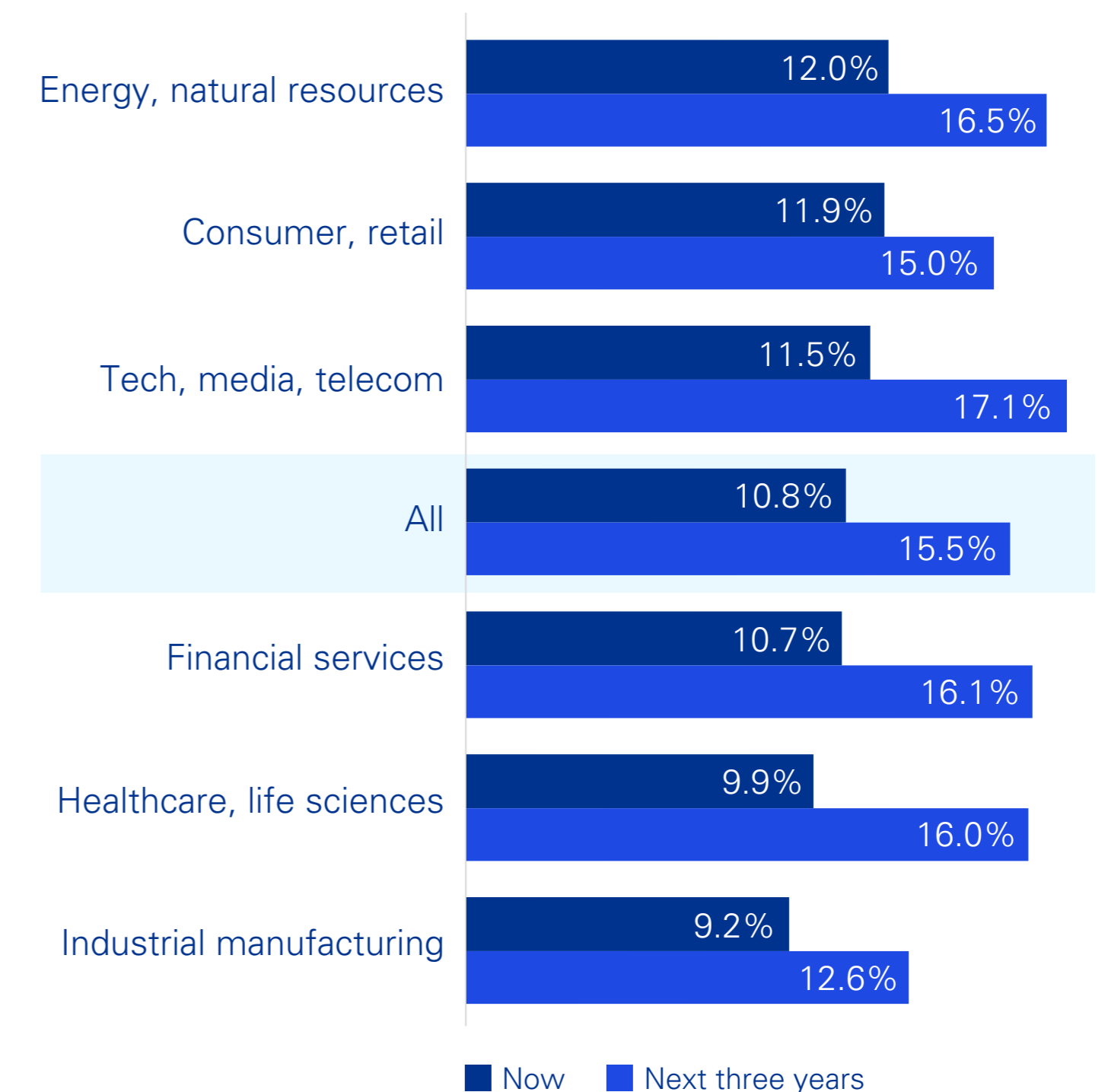


Most valuable AI technologies in finance*



*Based on ranking index: the lower the score, the higher the value.

Average AI spending as % of IT budget by industry





How AI leaders drive ROI





Leaders lay the groundwork for AI success

Becoming a leader in AI requires the proper financial and human resources. That is why AI leaders among US companies invest around 13% of their IT budgets on enterprise-wide AI activities, a third more than other companies.

Over the next three years, that share of AI spend on company-wide activities will grow to more than 17% of the IT budget for leaders. As others play catch up, the gap between them and leaders will narrow.

Building the AI skills

AI leaders ensure they have the talent and skills to drive AI innovation in finance. To do this, they build up their own internal AI resources—either a central team within finance (57%) or separate groups within each department in their group (38%).

But they also draw on resources from outside of finance. For around two-thirds, this is a central team outside of finance. More than 40% also make greater use of external AI resources, such as technology outsourcing companies or consultants.

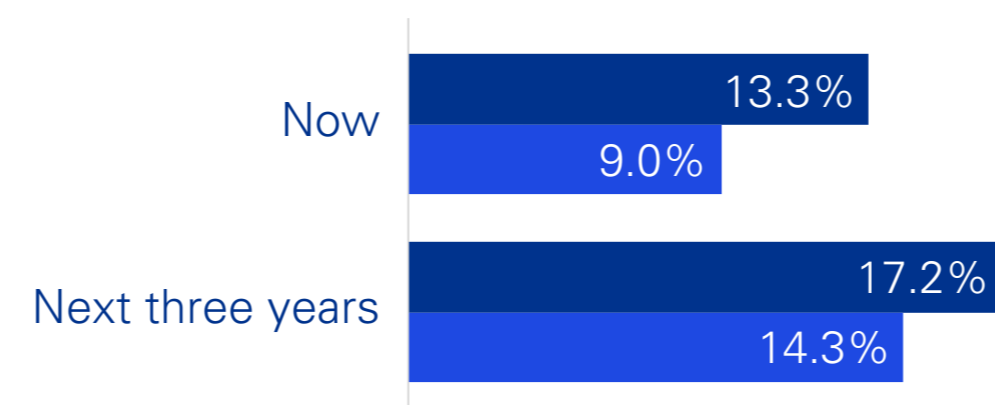
Taking it to the next level

Leaders go far to lay the groundwork for AI success. One producer of semiconductors has invested significant resources into creating a suite of training modules that empower employees to expand their AI capabilities. A chemical company has partnered with external AI experts to leverage their knowledge and experience.

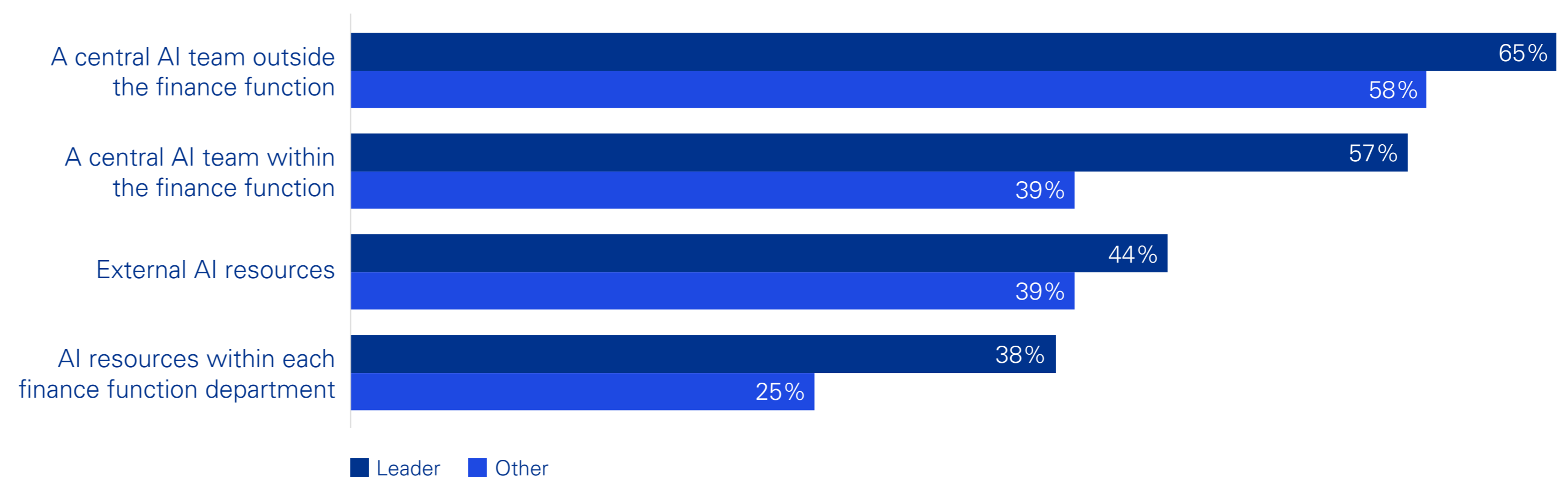
Q14. In which of the following ways does finance resource its AI initiatives?

Q15. What portion of your company's overall IT budget is now spent on AI-related activities and what portion does it plan to spend on AI over the next three years?

Portion of companies' overall IT budget spent on AI-related activities



How finance resources its AI initiatives





Leaders see greater AI benefits

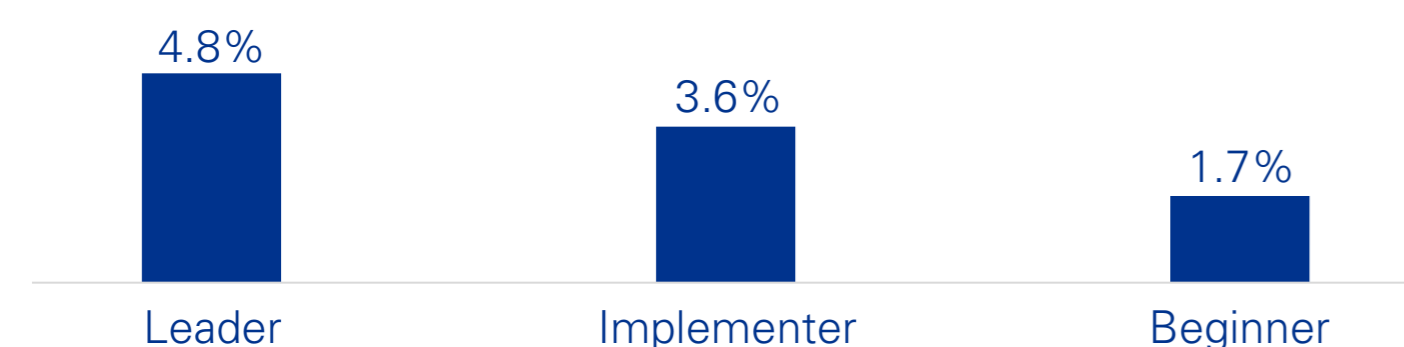
As the use of AI in finance grows, the dividends multiply. When starting out, finance teams in US companies report one to two benefits. By the time they are leaders, the number is almost five.

Leaders report five main clusters of benefits from the use of AI in finance. The top one revolves around AI's capacity to bring data to life: improving its accuracy by automatically finding and correcting errors, as well as generating deeper data insights and predictive analysis for better decision-making.

Another major benefit of AI is its use of automated techniques to speed up financial activities. This gives executives quicker access to critical information, such as real-time risk insights, along with the ability to report results faster and more frequently.

In addition to boosting data quality and speed, AI enables financial teams to reduce their costs through more efficient processes and to spur more operational effectiveness and transparency. These benefits accrue to the staff, which see a boost in productivity by offloading time-consuming work to machines. They also see an increase in skills due to the use of AI assistants. By creating a productive and efficient workplace, the finance department is better able to attract and retain staff.

Average number of benefits seen



Five main benefits from using AI in finance

	Leader	Other
Better data and decisions		
Ability to predict trends and impacts	71%	54%
Increased data accuracy and reliability	68%	50%
Better data-enabled decisions	66%	40%
Greater ability to identify data outliers	34%	18%
Faster insights and reporting		
Real-time insights into risks, fraud	62%	50%
Faster access to relevant information and data	54%	34%
Faster quarterly and year-end reporting	44%	25%
Lower costs and inefficiencies		
Lower costs	68%	44%
Increased employee efficiency and productivity	52%	40%
Improved operations		
Increased visibility into end-to-end processes	46%	34%
Improved operational effectiveness	21%	20%
Greater skills and talent		
Enhanced staff skills due to AI assistants	41%	25%
Ability to attract and retain talent	41%	23%
Prepare employees for AI-assisted working	24%	11%

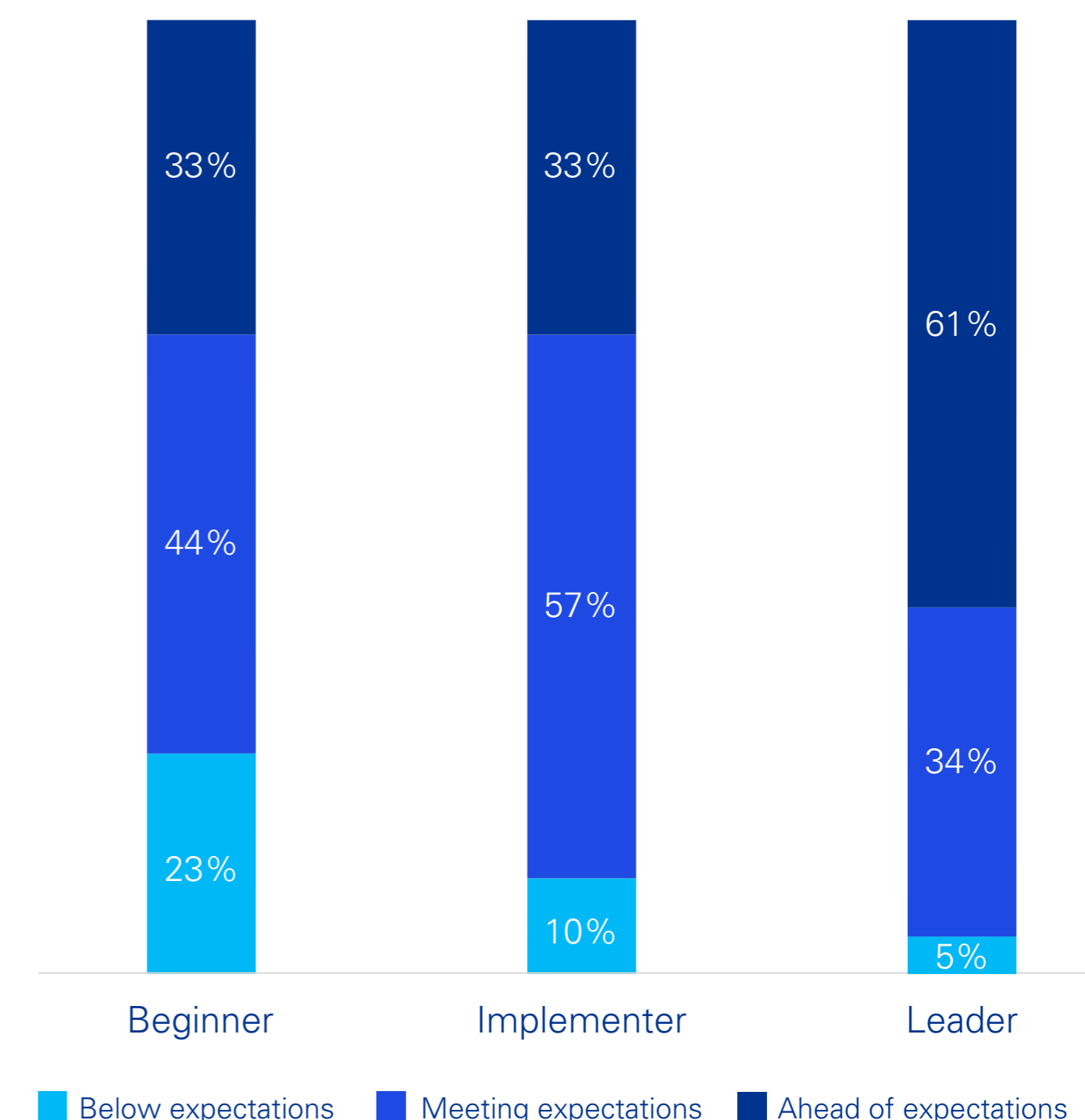


Leaders drive greater ROI from AI

Just as the benefits from AI rise with its usage, so does the return on investment. This can be seen in the reported results: 61% of leaders report higher-than-expected ROI on AI, compared with just 33% of beginners and implementers. Here are some of the leading ways that AI benefits are driving ROI, according to surveyed executives from US companies:

Better data and decisions	Lower costs efficiencies	Reduced risks	Higher staff skills
<p>"We optimize pricing strategies to maximize margins while remaining competitive by analyzing real-time data."</p> <p>Consumer goods company</p> <p>"AI-generated insights can support informed decision-making, leading to more profitable investment strategies."</p> <p>Healthcare provider</p> <p>"My team is currently focusing more on portfolio optimization, value maximization, and improving R&D success rates. This has helped boost our ROI."</p> <p>Pharmaceutical company</p>	<p>"AI allows us to identify and eliminate inefficiencies in our processes, which leads to substantial cost savings for the organization as a whole."</p> <p>Insurance company</p> <p>"Machine learning technology has empowered us to make data-driven decisions, optimize our operations, and identify cost-saving initiatives that align with our strategic goals."</p> <p>Medical manufacturer</p> <p>"We manage our expenses using AI technology to enhance efficiency."</p> <p>Oil and gas company</p>	<p>"AI helps us better understand supply-chain management and identify potential disruptions, providing a positive impact towards our revenue generation and ROI."</p> <p>Aerospace company</p> <p>"Through AI-powered optimization of reinsurance and risk transfer strategies, we've witnessed significant advancements in our ability to effectively manage risk and allocate capital."</p> <p>Financial services company</p> <p>"We are establishing real-time monitoring of financial transactions using AI to enhance fraud detection."</p> <p>Healthcare provider</p>	<p>"We are providing AI training for our team to enhance their skill sets and enable them to contribute to the improvement of our financial results."</p> <p>Telecom company</p> <p>"Training programs and other training initiatives help us to deliver adequate AI knowledge to our workers, thereby increasing returns."</p> <p>Aerospace company</p> <p>"Through workshops and training sessions on the latest AI technologies, we are demonstrating our commitment to continuous improvement."</p> <p>Insurance company</p>

ROI expectations met



Q16. In general, how well is the ROI on finance's AI initiatives meeting expectations?

Q17. Which benefits has your company seen from its current use of AI in finance and which benefits does it expect to see in three years?



Overcoming barriers to AI usage





Barriers to using AI in finance

AI adoption in finance does not come easily, even for companies in the US, which are ahead of their peers in other countries. Because AI systems contain vast amounts of sensitive data, they are more susceptible to data breaches. Integrating AI systems with other components, such as cloud services and APIs, can increase the number of entry points that hackers might exploit. Hence, more than half of US executives cite data security as a top challenge

Limited AI skills, cited by nearly half of executives, is another hurdle. Said an executive with a pharmaceutical company: "Our finance department lacks required AI experts, which is affecting outcomes."

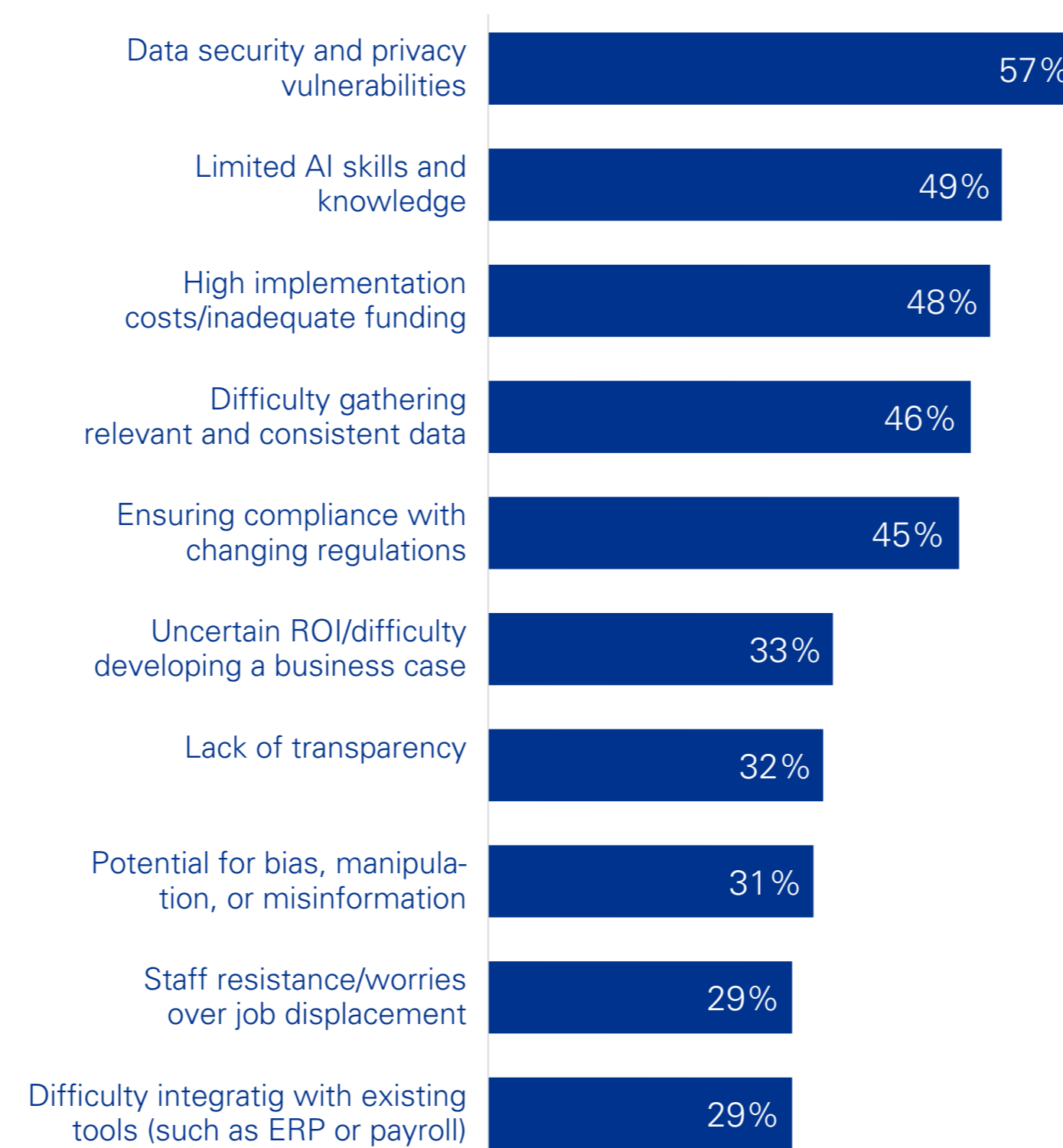
Alongside more technical aspects, such as consistency of data and transparency of AI solutions, high costs continue to trouble many. Ensuring compliance with regulations can be equally daunting. Said an EVP with an aerospace company: "Complex regulations make it difficult for us to achieve AI readiness."

Hurdles along the AI journey

Barriers morph as companies mature in use of AI. In early stages, high costs, staff resistance, lack of transparency, and uncertain ROI dominate. Other hurdles stay constant, such as data security and finding consistent data. As companies expand their use of AI, the potential for bias and misinformation rises, particularly as finance teams tap Gen AI. Integrating AI solutions and tools into existing systems also presents more challenges.

Q19. What are the biggest barriers to your company's adoption of AI in finance?

Biggest barriers to adoption of AI



Barriers companies face early in AI journey

High implementation costs

Staff resistance/worries over job displacement

Lack of transparency

Uncertain ROI

Barriers that remain constant

Data security

Difficulty gathering consistent data

Limited AI skills and knowledge

Ensuring compliance with changing regulations

Barriers leaders face later in the journey

Potential for bias, manipulation

Difficulty integrating with existing tools



Our research reveals critical blind spots

When implementing AI solutions across finance operations, executives naturally want to focus their attention on the chief areas of concern.

In general, US companies do a good job at risk prioritization. Our research shows that most pay higher attention to the attributes of AI adoption that they consider most important — privacy, and data security and integrity. They pay the least attention to the issues they consider to be less vital, such as explainability, fairness, and accountability.

Blind spots to avoid

However, our correlation analysis reveals critical blind spots — areas of importance that may require further attention. One of the biggest is around the transparency of AI initiatives. Because of AI's "black box" nature, stakeholders are unsure whether to trust its results. For example, the chief data officer of a US transport company noted that, "The data received from AI requires human verification, and this is an important step that we overlook."

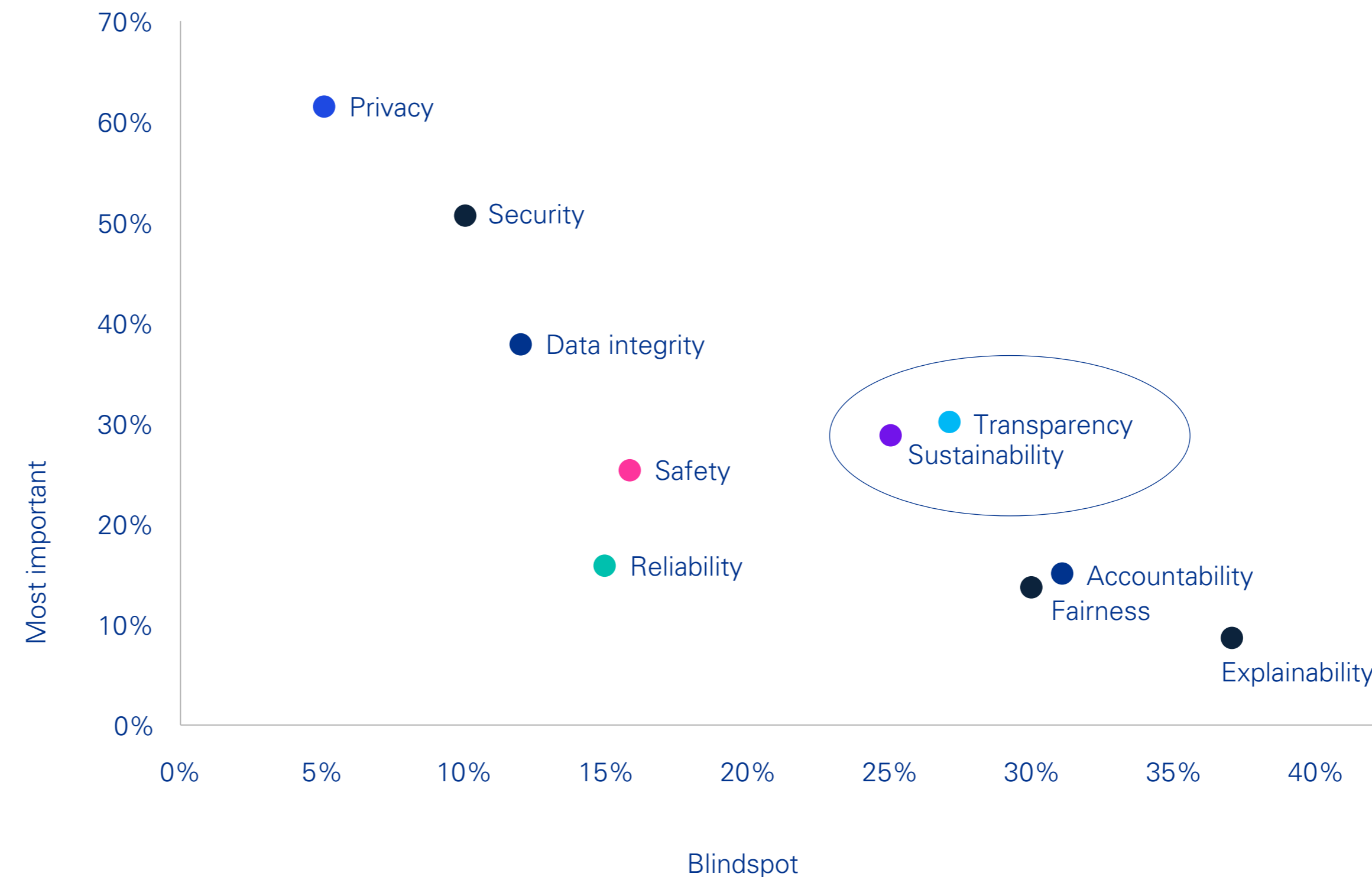
AI and sustainability

Sustainability is another glaring blind spot. The high energy consumption that AI usage requires means that sustainability concerns must also be addressed head on — particularly as companies' journey toward net zero continues. Yet AI is a double-edged sword: it can undermine sustainability but can also be used to improve it. By optimizing processes and enhancing resource efficiency, AI can help to limit a company's carbon footprint. For example, one US healthcare provider noted that it uses AI to get maximum output through optimized resource management.

Q28. Which of the following attributes are most important to your company's adoption of AI and which are the biggest blind spots (receiving less attention)?

KPMG AI in finance report: US report

Most important AI attributes vs. biggest blind spots (US companies)





Leaders do more to overcome AI challenges

Financial executives see many of the same barriers and concerns when drawing on AI — but leaders generally take more steps, and in greater numbers, to overcome them.

More than two-thirds of both US-based leaders and others develop principles and guidelines on the responsible use of AI. By doing so, they provide the guardrails that allow their organizations to safely innovate and learn.

But leaders are more apt to involve their tech leadership in systems integration plans and to work with them to shift to modernized IT platforms that facilitate AI innovation. They are also more likely to pilot AI initiatives and to create digital processes to keep up with regulatory and compliance changes.

People and process

AI leaders do not stop there. They conduct change management and education programs to provide their teams with the AI skills and innovation mindsets that they will need to succeed. Said the chief accounting officer with a consumer goods company: “We are creating a culture of experimentation, and people are being empowered to explore new data-driven approaches.”

Leaders also do more to protect their systems against cyber risks. Crucially, they continue to increase their AI budgets to fund future AI initiatives.

Q19a. Which of the following steps is your company taking now or planning to take to overcome these barriers to AI adoption?

Top steps US leaders take to overcome barriers to AI adoption

	Leader	Other
Develop corporate principles and guidelines on the responsible use of AI	66%	66%
Involve technology leadership in systems integration to promote AI enablement	57%	49%
Pilot AI initiatives or implement AI limited use cases first to validate ROI	50%	38%
Conduct change management and education programs on the impact of AI	47%	41%
Create digital processes to keep up with regulatory and compliance changes	46%	41%
Shift to modern IT platforms that facilitate AI innovation	41%	25%
Increase AI budgets or shift funds from other activities	37%	34%
Build better systems for gathering, integrating, and sharing data	34%	37%
Improve systems to detect, protect against, and respond to cyber risks	33%	24%



Shifts in financial reporting



AI in reporting advances in just six months

While adoption of AI is spreading across finance, it is in financial reporting where some of the most significant progress has been made. From April to September 2024, the use of AI in reporting expanded in most of the 10 major industrialized markets surveyed.

Among US respondents, 52% reported selective or wide adoption in September vs. 47% in April. This again placed US companies at the top of the list in AI adoption for reporting among the 10 major markets.

Active use of AI

The proportion of US companies actively using both traditional AI and Gen AI to enhance financial reporting has grown. For traditional AI, use has increased from 46% in April to 61% in September.

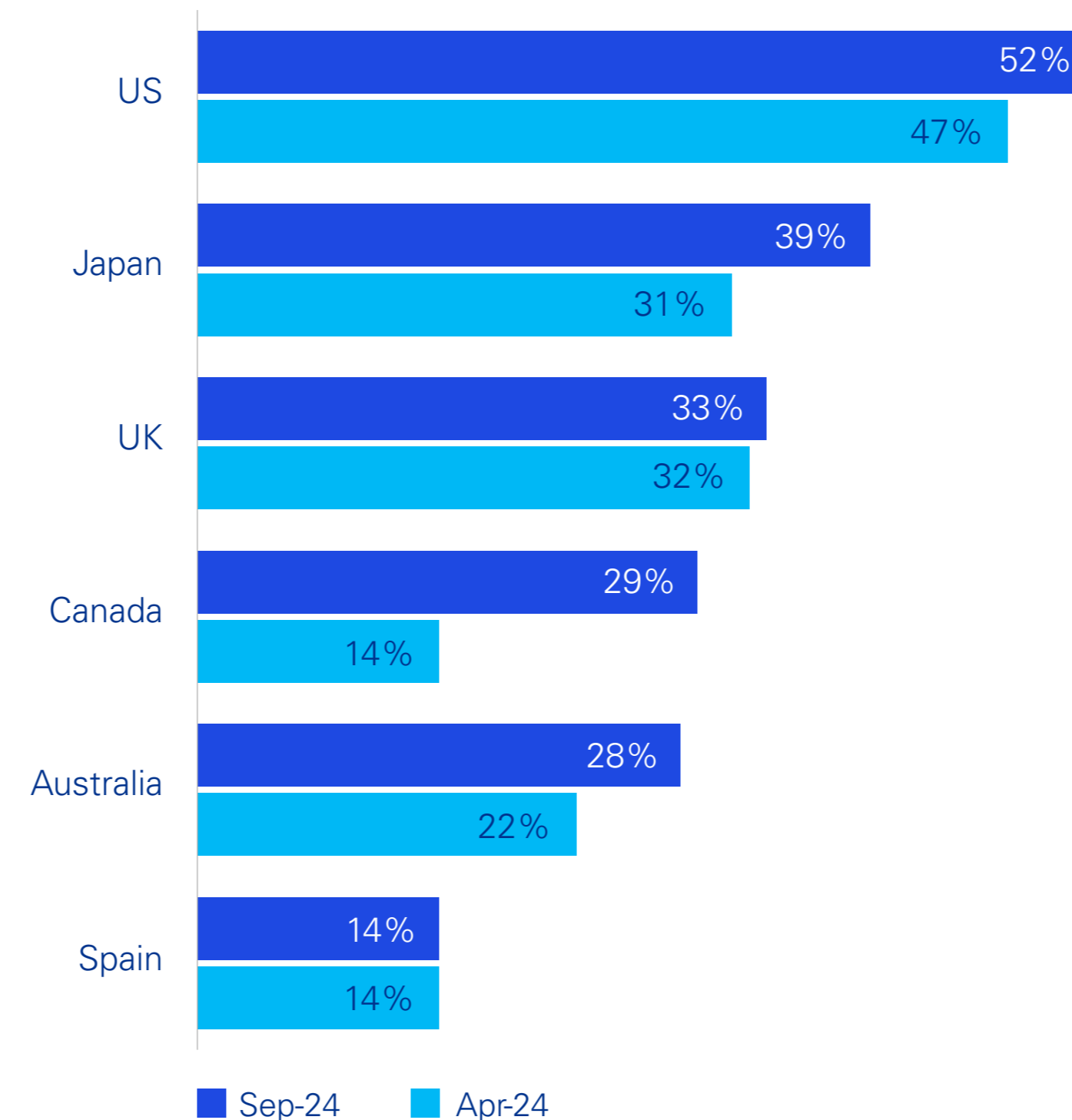
Although still early days, the use of Gen AI increased to 21% of US companies in September from 19% in April (33% of leaders are actively using it). While this increase is not enormous, it is significant over such a short period of time. With nearly 60% of companies prioritizing Gen AI for future use in reporting, it is clearly set to grow rapidly and become almost a mandatory feature in any corporate finance organization's AI toolkit.

Use of technologies to enhance financial reporting (US companies)

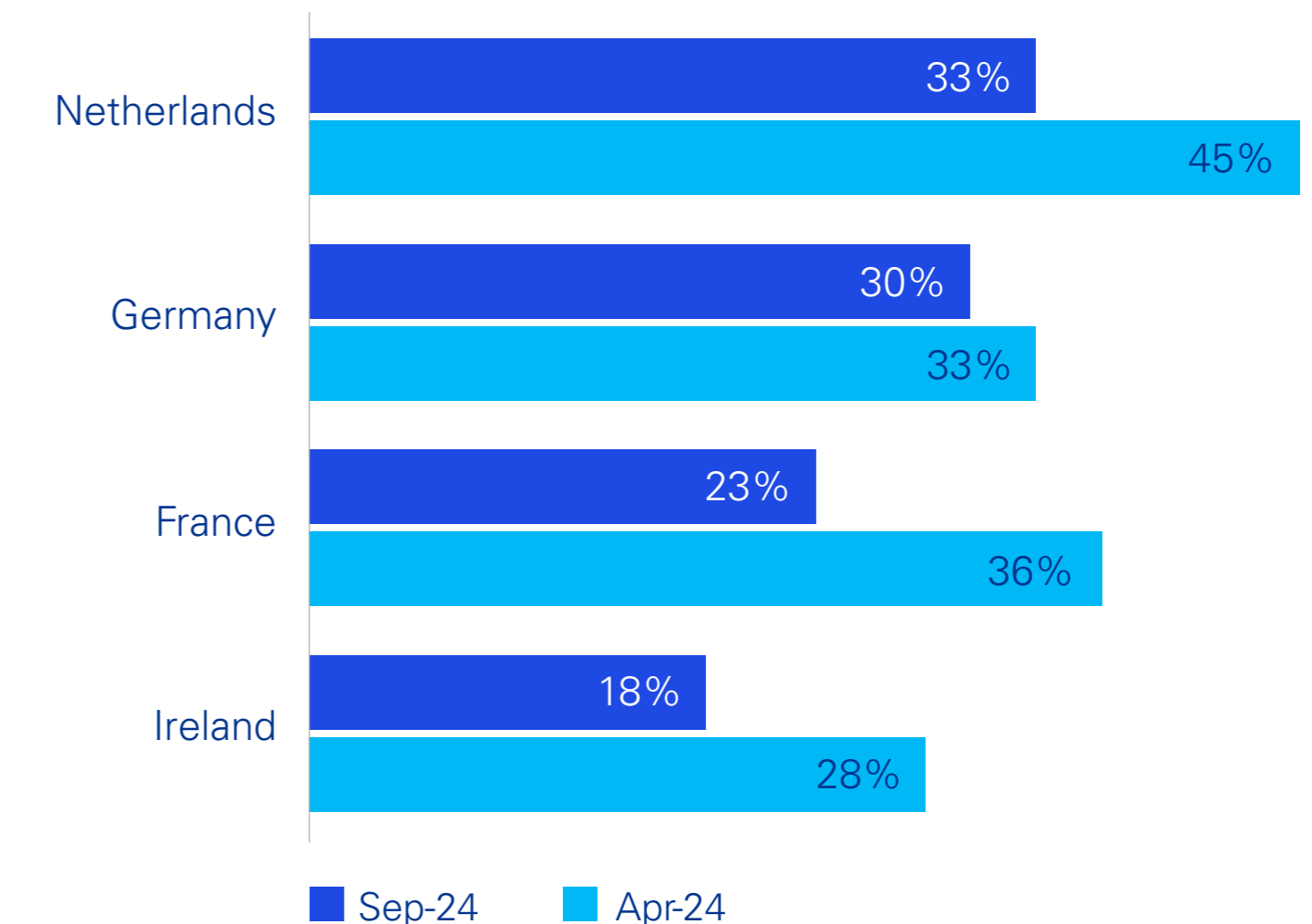
	% using April 2024	% using Sept. 2024	% prioritizing future use April 2024	% prioritizing future use Sept. 2024
Traditional AI	46%	61%	36%	42%
Generative AI	19%	21%	45%	58%

Selective or wide adoption of AI in financial reporting: 10 top markets

Where progress has accelerated



Where progress has slowed



The share of US companies selectively or widely adopting AI grew to 52% in September 2024 from 47% in April.

Q8. Over the past six months, how much progress has your company made in the use of AI, specifically in financial reporting?

Q10. Which of the following technologies is your company currently using to enhance financial reporting? Which technologies will you prioritize of the next year?



Adoption will jump further in three years

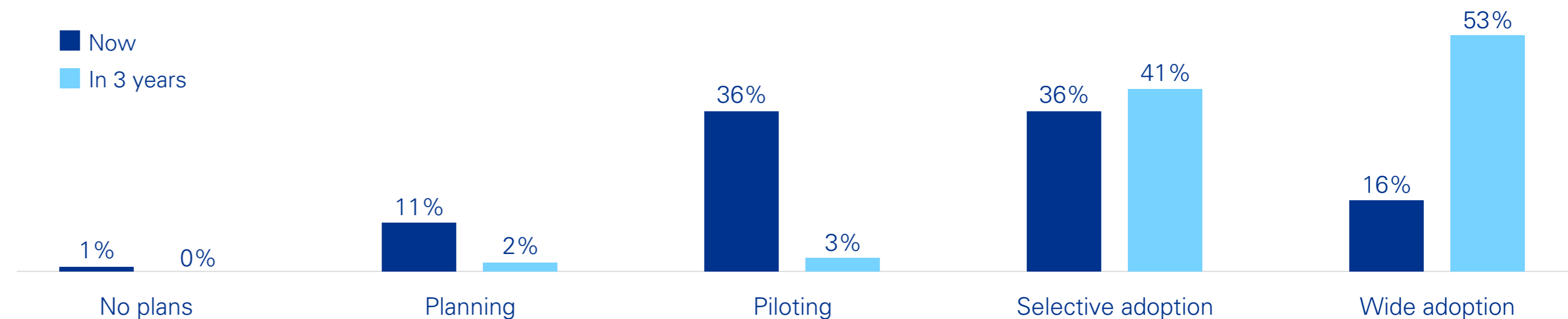
US-based companies will continue to expand their use of AI for financial reporting over the next three years, when a stunning 94% will be using it selectively or widely for financial reporting vs. 52% in September 2024.

This is substantially more than the averages for all the companies and countries in the global survey, which revealed that 23% were using AI selectively or widely, rising to 77% in three years.

The CFO of a consumer goods company noted that the company uses AI to streamline the reporting process and improve its accuracy. The CTO of a software company said: "We are focusing on the usage of AI algorithms to assist us in anomalies detection in financial reporting." And another executive, with a manufacturer of medical devices, said they use AI to help ensure documents management and for financial reporting requirements.

The share of US companies selectively or widely adopting AI will increase to 94% in three years from 52% in September 2024.

Progress is using AI in financial reporting



Selective/wide adoption of AI in financial reporting, US vs. all countries

	Now	In 3 years
US	52%	94%
All	23%	77%

Q8. Over the past six months, how much progress has your company made in the use of AI, specifically in financial reporting? How much progress does it plan to make in three years?



Use of Gen AI in reporting also is growing

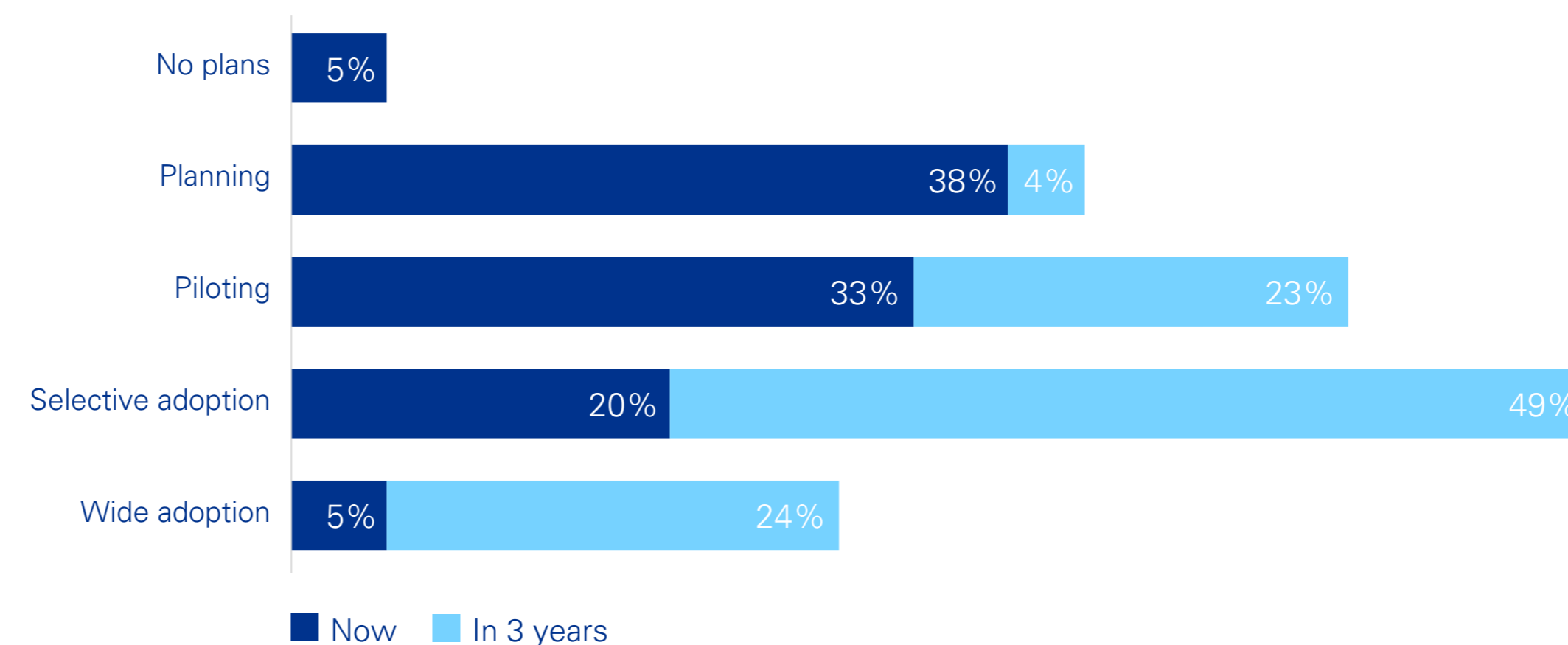
Gen AI has become the “hot ticket” in the AI arena, generating huge interest and discussion. However, Gen AI presents unique challenges and is more complex than some forms of traditional AI to embed into processes. For these reasons, and because it is a newer form of AI, it is tracking behind traditional AI in adoption.

Nonetheless, Gen AI is firmly on the agenda for financial reporting among US companies. Nearly six out of 10 are piloting or actively using Gen AI already, and 38% plan to use it in the future. In three years, nearly every company will be piloting or actively using Gen AI for reporting.

As with AI overall, US companies are making more progress than their peers globally in using Gen AI in reporting. One-quarter have selectively or widely adopted it vs. just 13% of all companies in the survey. Usage is expected to jump significantly for both groups over the next three years, portending the dramatic shifts to come for AI in finance.

Q9. Over the past six months, how much progress has your company made in the use of generative AI, specifically in financial reporting? How much progress does your company plan to make in three years?

Progress in using Gen AI for financial reporting



Selective/wide adoption of Gen AI in financial reporting, US vs. all countries

	Now	In 3 years
US	25%	73%
All	13%	56%



Leaders show the way for AI in reporting

US leaders are far ahead in employing AI in financial reporting, and this includes Gen AI.

Eighty-five percent of leaders have selectively or widely adopted AI in reporting, three times the share of others. Over the next three years, others will catch up dramatically — but leaders will still be ahead, with 100% adopting AI.

More than four out of 10 leaders are already selectively or widely adopting Gen AI in financial reporting, compared to only 13% of others. Considerably more leaders are prioritizing Gen AI for financial reporting over the next year compared to traditional AI, largely because they have already adopted the latter form.

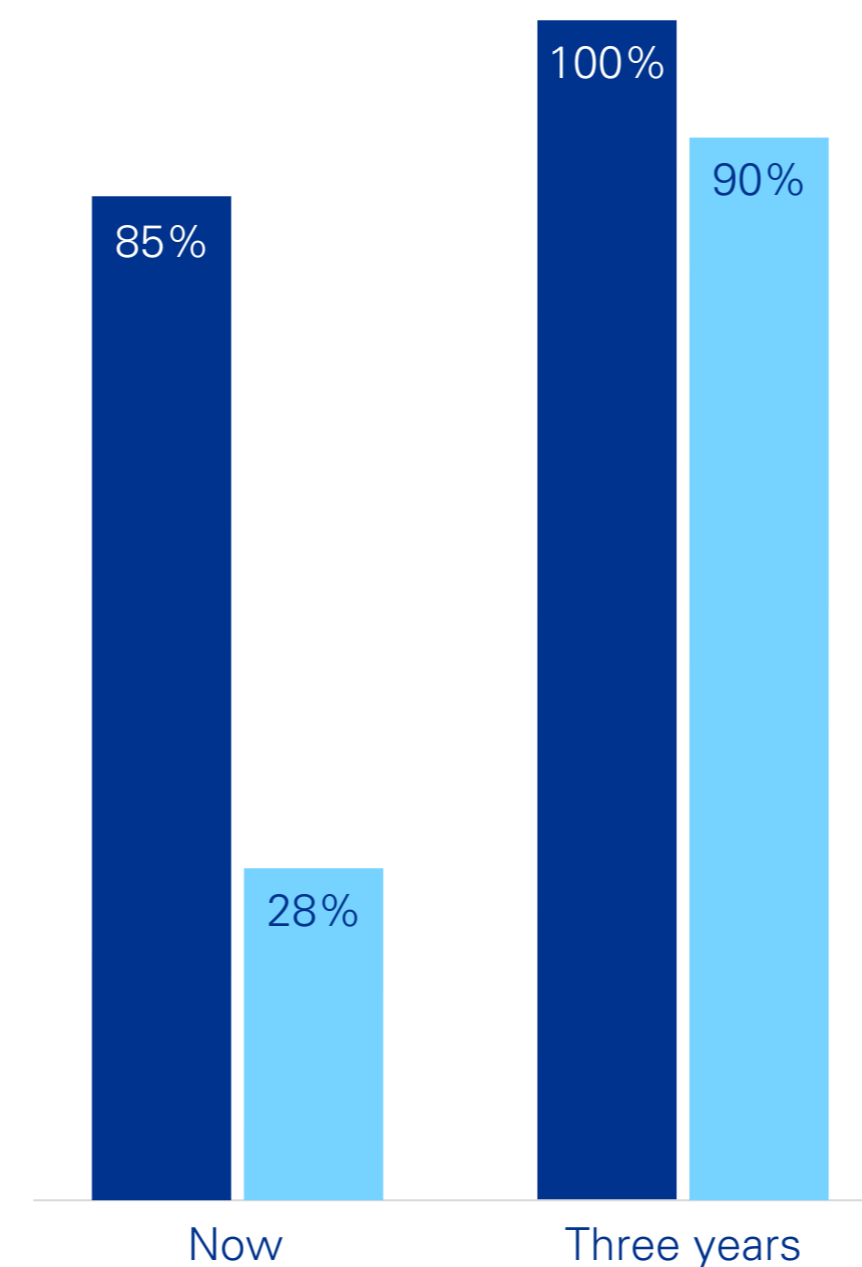
As a result, 89% of leaders expect to be selectively or widely using Gen AI in financial reporting in three years — vs. 62% of others. Given Gen AI's power to enhance a range of financial reporting activities, from automated report generation to faster data insights and predictive and scenario analysis, AI leaders will have an advantage over others in the next era of AI.

Q8. Over the past six months, how much progress has your company made in the use of AI, specifically in financial reporting? How much progress does your company plan to make in three years?

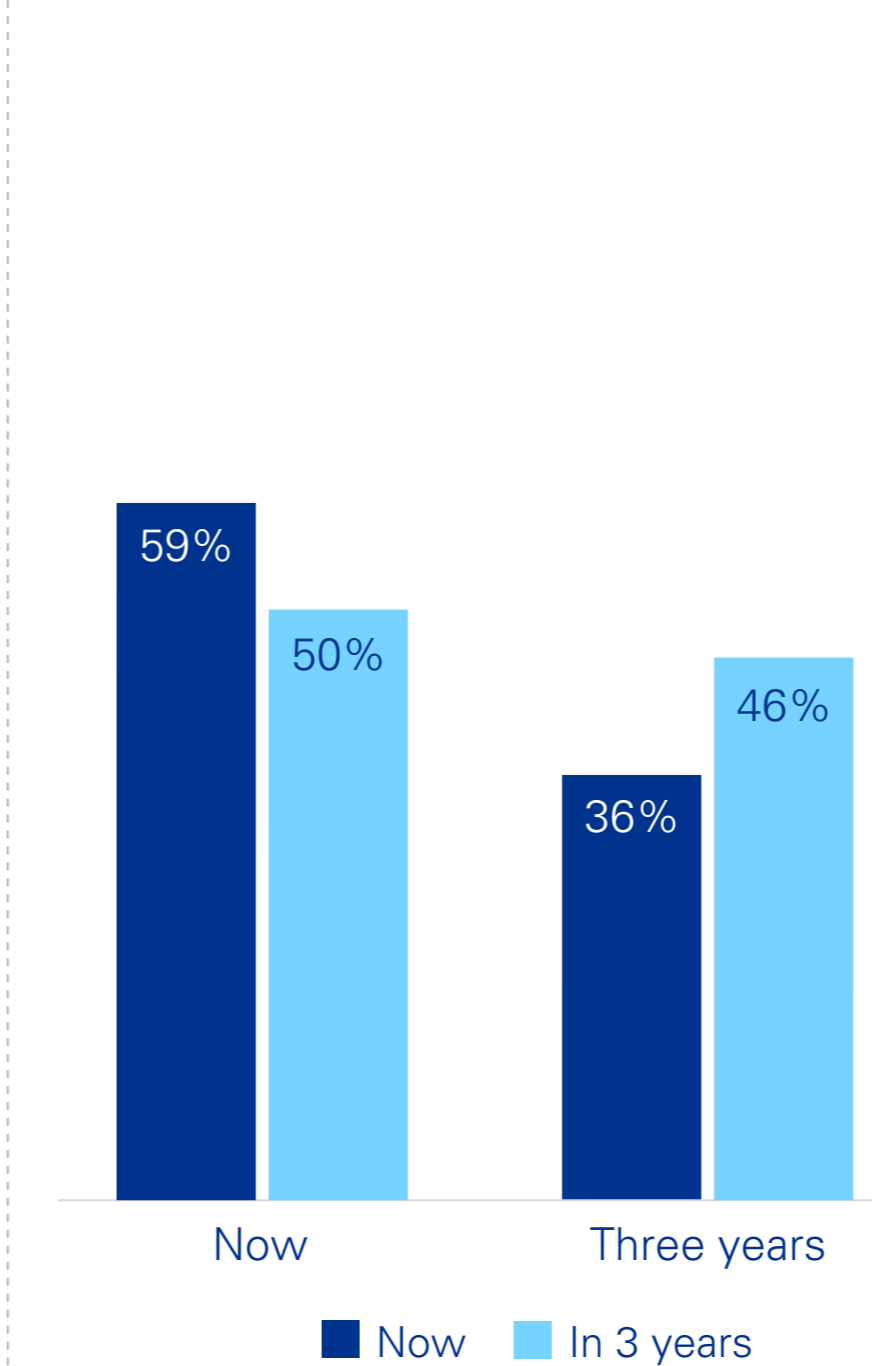
Q9. Over the past six months, how much progress has your company made in the use of generative AI, specifically in financial reporting? How much progress does your company plan to make in three years?

Q10. Which of the following technologies is your company currently using to enhance financial reporting? Which technologies will you prioritize over the next year?

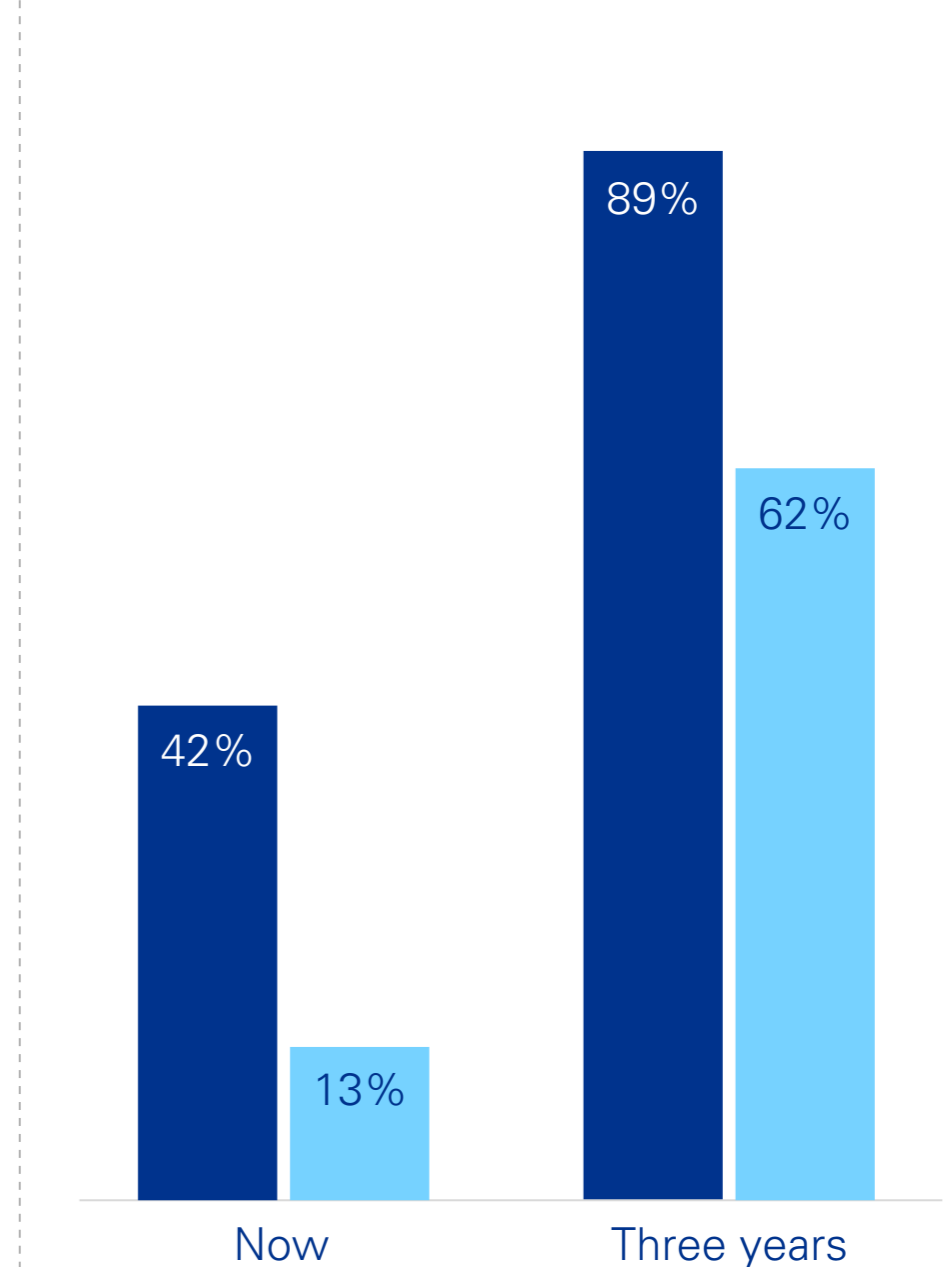
Progress in AI use for financial reporting by maturity (selective and wide adoption)



Technologies that will be prioritized over the next year



Progress in Gen AI use for financial reporting by maturity (selective and wide adoption)



■ Now ■ In 3 years



US companies want auditor support on AI

As companies make progress in harnessing AI for financial reporting, they often require more support from external auditors, particularly around governance and controls.

Our research finds that most US companies expect their auditors to conduct a detailed review of their control environment to ensure the responsible use of AI for reporting. Many would also like their auditors to conduct assessments of their AI governance maturity, third-party attestation over the use of AI technology, and readiness/gap assessments.

Many companies expect auditors to get on board

Many organizations, particularly leaders, also want their auditors to utilize AI tools for their own activities. The most common activities are data analysis, risk mitigation, anomaly identification, and predictive analysis. There is also a desire for auditors to speed up the auditing process and move to real-time auditing that will help companies manage their risks more proactively throughout the year.

Crucially, many finance executives want more AI communication from their external auditors. This is not surprising, given that both parties need to work closely together to ensure an effective and responsible use of AI during the reporting process.

Leaders especially want their auditors to step up. Right now, only 16% of leaders say their auditor communicates frequently with them about AI — but 57% would like them to. Other companies would also like more communication. Almost four out of 10 of others rarely or never receive communication — yet more than nine out of 10 would like to talk at least occasionally.

Q22. How often does your external audit partner communicate now about AI and generative AI? How often would you like your audit partner to communicate?

Q23. How important is the use of AI, automation, and data analytics for the work performed by your external auditor?

Q24. Which of the following activities would you like your external auditor to conduct for your organization using traditional AI and generative AI?

Q26. What role would you expect/want your external auditor to play in evaluating your company's responsible use of AI in financial reporting?

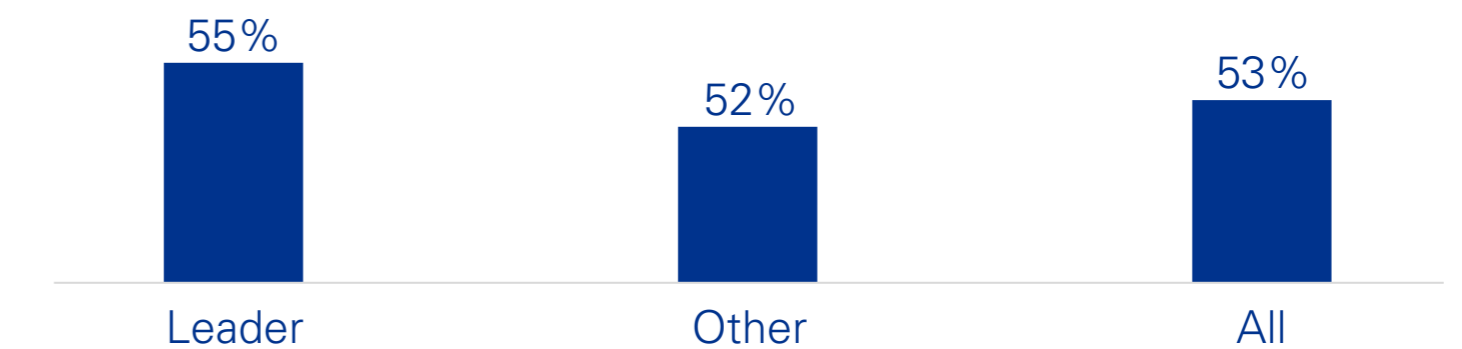
Role expected of external auditors

More detailed review of control environment	56%
AI governance maturity assessment	44%
Third-party attestation over the use of AI technology	35%
Readiness/gap assessment	22%

Audit partner communication about AI

		Leader	Other
Now	Never	0%	2%
	Rarely	21%	43%
	Occasionally	63%	49%
	Frequently	16%	6%
Would like	Rarely	5%	6%
	Occasionally	38%	53%
	Frequently	57%	41%

Importance of auditors using AI for their own work (moderately to very important)



Top 10 activities that companies want auditors to conduct with AI

	Trad	Gen
Data analysis	65%	51%
Risk mitigation	62%	55%
Fraud detection	58%	46%
Risk/anomaly identification	58%	56%
Predictive analysis	54%	39%
Speed up the auditing process	48%	31%
Real-time auditing	43%	38%
Gather value-added insights	34%	32%
Analyze economic trends	33%	31%
Document and data gathering	33%	34%



Conclusion and recommendations



01.

To improve the quality and speed of financial analysis, companies should give top priority to the use of AI in finance.

They should follow the example of AI leaders in our study by implementing a wide range of use cases. These should include not just basic use cases around data entry and administrative processes, but also higher-order tasks around research, risk management, cybersecurity, fraud detection, and predictive analysis.

02.

With the use of Gen AI spreading exponentially, companies should have a well-thought-out strategy and implementation plan for its employment in finance.

These plans should include actively testing and refining use cases that leverage the power of Gen AI, such as composing financial reports and summaries. But they should also stay mindful of Gen AI's limitations around data security, sovereignty, accuracy, and copyright and intellectual property.

03.

CFOs should make sure their teams think beyond accounting and financial reporting when applying AI.

While AI is currently most commonly used in accounting and financial reporting, its use is spreading across finance. Most AI leaders are already using the technology to optimize financial planning, treasury management, tax operations, and risk management, as well as to drive ROI across their departments.

04.

Staying ahead in AI is not just about technology, it is also about people.

To fully embed AI into their financial activities, financial management teams need to go beyond drawing on AI support from outside their department. That means staffing up with AI specialists within finance, while providing training on the use of AI to the general financial staff. Using AI to improve the productivity, engagement, and retention of the staff should be top of mind.

05.

The lack of AI skills, inconsistent data, high costs, and data security and privacy concerns often hold companies back from fully leveraging AI in finance.

To overcome these barriers, financial management teams should act early to establish AI guidelines and governance mechanisms, create digital processes to meet regulatory requirements, and shift to modern IT platforms that facilitate AI. Crucially, financial teams should pilot AI initiatives to validate ROI and ensure effectiveness before scaling these solutions across the department.

06.

When implementing AI in finance, financial teams should stay aware of potential blind spots that will require management attention.

Because of the complexity of AI algorithms and the "black box" nature of AI solutions, transparency is a common blind spot that, if left unattended, could lead to a loss of trust and accountability. Sustainability is another area often overlooked, even though a spike in AI-driven data consumption can boost carbon footprints.

07.

Companies should work in tandem with auditors to build an AI-empowered finance function.

To be successful, auditors not only should have a superior understanding of a company's use of AI but should be in regular communication with the financial team on how it can be used to improve results. Companies should look to their auditors to help ensure an effective control environment, including assessing AI governance maturity and providing third-party attestation over the use of AI. Critically, they should push their auditors to use AI in their own data analysis and risk detection activities.



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