# AccountsIQ

# Meet the speakers

**Darren Cran**

COO of AccountsIQ

**Alice Roche**

COO of Charity Digital

**Janelle Bentley**

Assistant Director of SCVS

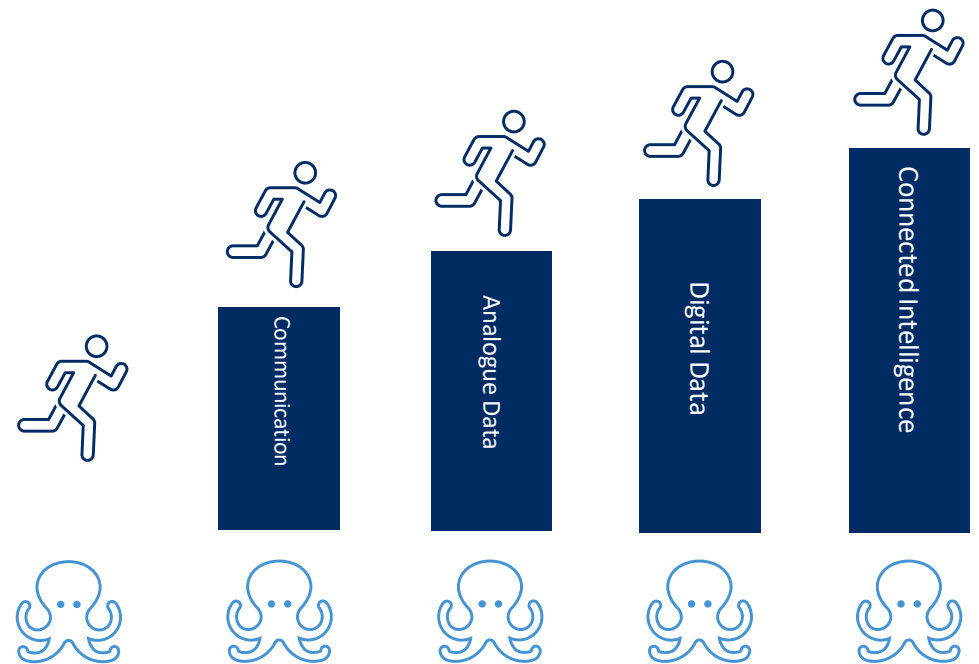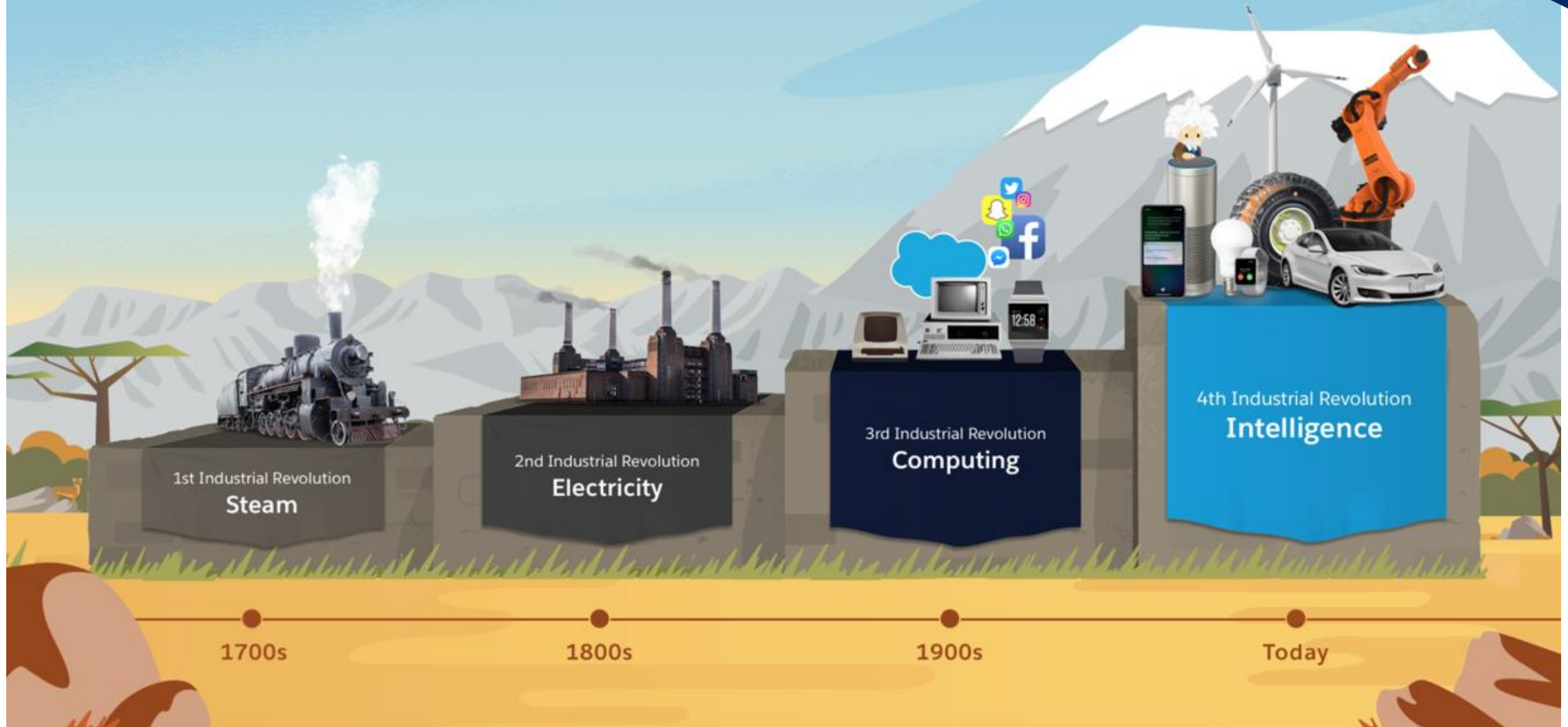# What is AI

- Artificial intelligence is making computer programs capable of preforming tasks that require the subtleties of judgement, interpretation and generalisation that we associate with human intelligence.

- Developing Artificial Intelligence requires and helps us to better understand how people make decisions and perform tasks, as well as building computer systems that do these things.

- Simple to complex Example:
    - NEST Home Heat - Perceives data, runs it through a rule or objective, makes a judgement call to adjust the temperature or not.
    - Alpha Go – Advanced search tree with Neural networks [advanced Maths to model how the brain perceives, against objectives, makes calls and learns – very fast]

# The evolution of the industrial technology ages

Humans use language that is so precise and powerful that we can share it and store it in vast qualities passing it from generation to generation.

Communication

Analogue Data

Digital Data

Connected Intelligence

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The Fourth Industrial Revolution

1st Industrial Revolution
Steam

2nd Industrial Revolution
Electricity

3rd Industrial Revolution
Computing

4th Industrial Revolution
Intelligence

1700s        1800s        1900s        Today

# The Fourth Industrial Revolution

- We have opened the door to the Fourth Industrial Revolution, which is being called the Intelligence/Connected Revolution.

- This opening is transforming the nature of both work and commerce through mass Innovation that is harnessing Automation, Artificial Intelligence and Block Chain supported by a new wave of digital interconnectedness.

- As a result, our economies are rapidly reorganising into a series of distributed peer-to-peer connections across powerful networks which is revolutionising how people consume, work and communicate.

**Source:** Carney 2018

# Technology shift & employment

- 3 impacts typically **Destruction**, **Productivity** and **Creation**

- Replacing labour, Enhancing value, New tasks emerge

- Hands, Heads & Hearts

- Machines, AI, Social [Empathy, Caring, Nature]
  - Social having a very relevant impact to the Not-for-Profit world

# The varying roles of accountants and the finance team

- **Data** - effective data management is crucial for financial teams to make informed decisions, maintain financial stability, and comply with regulatory requirements.

- **Communication** - effective communication is vital for finance teams to ensure financial information is accurately conveyed, understood, and used to make informed business decisions.

- **Judgement** - judgments significantly impact financial reporting, compliance, and decision-making. Using expertise and knowledge, sound decisions can be made that adhere to accounting principles and regulations while reflecting the true financial position of an organisation.

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The measure of intelligence is the ability to change.

- Albert Einstein -

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# Different types of AI

## Narrow AI

Designed to perform specific tasks or functions. focused on a single domain and lacks general intelligence.

**Machine Learning** - focuses on enabling computers to learn and improve from experience without being explicitly programmed.

- **Deep Learning**: uses artificial neural networks to simulate the human brain's structure and function.
- **Reinforcement Learning**: focuses on training an AI agent to make decisions and take actions in an environment to maximise a reward or minimise a penalty.
- **Natural Language Processing**: focuses on enabling computers to understand, interpret, and generate human language.

## General AI

AI systems that possess human-like intelligence and can perform any intellectual task that a human being can do.

General AI is still largely theoretical and does not exist in practical applications yet.

Computational capacity of the fastest supercomputers

The number of floating-point operations carried out per second by the fastest supercomputer in any given year. This is expressed in gigaFLOPS, equivalent to $10^9$ floating-point operations per second.

LINEAR | LOG

Source: TOP500 Supercomputer Database (2023)

OurWorldInData.org/technological-change • CC BY

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# Where we see it in everyday life

- **Transport** - driverless cars

- **Customer Service** – chat bot [Ryanair]

- **Home automation** – heating, appliances, online shopping, reminders

- **Social media** – X [Twitter] removing hate comments

- **Education** – personal learning paths

- **Traffic** – congestion, route mapping

- **Healthcare and Research** – IBM Watson

- **Creativity** – IBM Watson to create a movie

# Where it's emerging in finance functions

- Cloud platform services e.g., MS Azure (below). There is also Google and Amazon.

- B2C and B2B services will leverage existing AI tools and embed them into niche services.
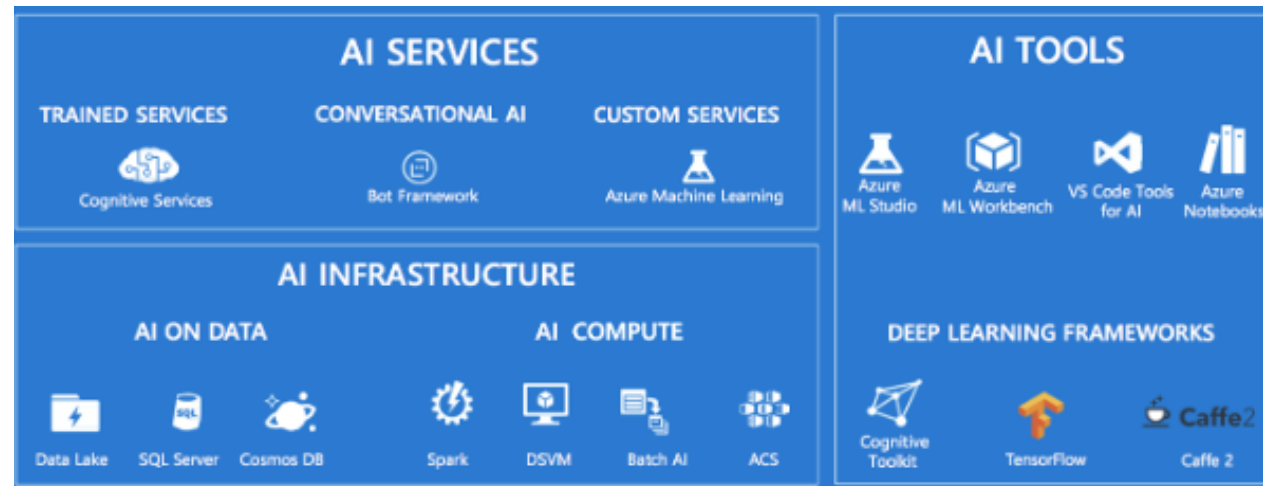
# Where it's emerging in finance functions

- Accounting software in the cloud

- Use API's to gather and store data in real time [e.g. bank feed data]

- RPA [Robotic Process Automation] or Basic ML [Machine Learning] tools can carry out basic tasks, rule-based tasks, use CHAT GPT like tools to query data [reporting], storytelling for patterns, errors, risks or scenarios

- Allows finance team to shift focus to look at Data rather than entering and process it

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# AI has the potential to bring significant changes to an accounting system

- **Automation** - automate repetitive and time-consuming tasks such as data entry, invoice processing, and bank recs.
- **Data analysis** - analyse financial data quickly and accurately. Identify patterns, trends, and anomalies to make more informed decisions and identify potential risks or opportunities.
- **Fraud detection** - help prevent financial losses and protect the integrity of the accounting system.
- **Financial forecasting** - use historical financial data and other relevant information to generate accurate and reliable financial forecasts.
- **Compliance and regulatory reporting** - ensure compliance with accounting standards and regulations by automatically monitoring and flagging any discrepancies.
- **Cost reduction** – automate manual tasks and improve efficiency.

Accountants' **judgments** significantly impact financial reporting, compliance, and decision-making, and they must apply their expertise and knowledge to make sound decisions that adhere to accounting principles and regulations while reflecting the true financial position of the organisation.
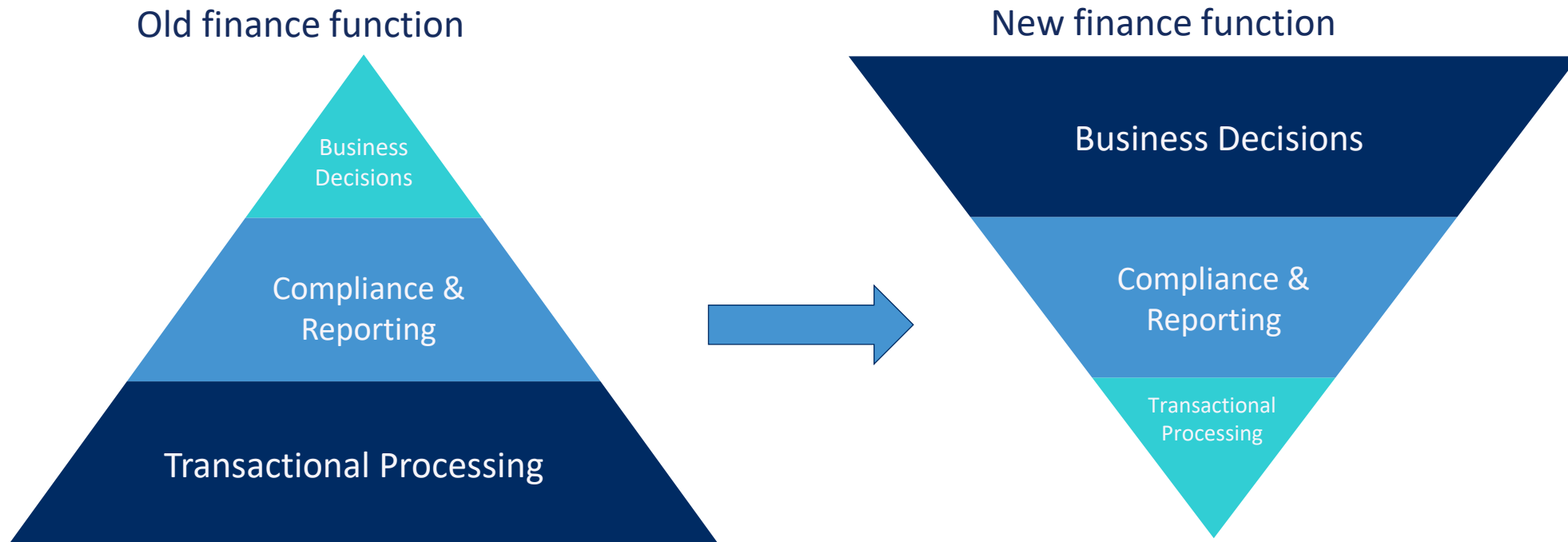
# Tips for your team

1. Start to develop a data mind set. It's the most interesting journey. Makes you more curious

2. It will likely require upskilling and perhaps adding new experience to the team

3. Embrace a change mindset. One that is comfortable with trying new things. Think sandbox

4. Think demographic. Experience + Being open to new things

5. Open a Chat GPT Account

6. Set a vision for your finance team. What's its purpose, what will it look like in 3 years, what are the obstacles in the way, what methods/new processes and technology will you use and what data points will you be tracking, measuring and sharing in conversations.

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# Create your dream

- Set a vision for your finance team

- What's its **purpose**?

- **Vision** - what it could look like in 3 years

- What **obstacles** are in the way?

- Which **people**, **processes** and technology will you use to deliver this vision and purpose?

- Which **data** points will you be **tracking**, **measuring** and **sharing in conversations**.

# SCVS story in conversation with Janelle Bentley

# Janelle Bentley

### Assistant Director – Finance & Central Services

- Previous System was server-based Exchequer since 2008

- Changed to AIQ in summer of 2023

- Developing simplified financial reporting for all stakeholders

- Providing suitable and reliable tech facilities for all SCVS staff

- Maintaining SCVS' other assets and resources

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# SCVS

Swansea Council for Voluntary Service is the umbrella organisation for voluntary activity throughout the City & County of Swansea.

Supporting, developing and representing voluntary organisations, volunteers and communities in the County.

- 58 staff members currently working across 43 different projects

- Funded by many stakeholders including the local authority, West Glamorgan Regional Partnership, Wales Council for Voluntary Action, Swansea Bay University Health Board, Innogy Renewables and Big Lottery Fund

- Forever indebted to its former Chair – Alun Evans who sadly passed away last September

# The situation

- SCVS started looking for a cloud-based accounting package in summer 2019

- The March 2020 pandemic and lockdown bumped this task to essential and urgent

- Some mistakes were made with unsuitable systems, but this was resolved with AIQ in April 2023

- Since the pandemic SCVS have continued hybrid working whilst responding to the additional needs emerging for our members and communities

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# The problem

- SCVS' finance team need to communicate accurate and timely financial information

- Presenting that information in a meaningful way to all stakeholders

- Engaging budget holders with suitable financial reports

- Whilst ensuring sustainable financial security for SCVS

- This includes reducing waste - be that overheads costs or time spent on admin processes

- With a very small finance team, this requires versatility and innovation

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# The solution

- Developing flexible reporting tools for a broad spectrum of stakeholders

- Creating efficient budgeting and spend monitoring systems

- Simplifying and automating data entry tasks

- Engaging and training non-finance colleagues

- Responding to their feedback

# Future vision

- A happy and productive finance team

- Easily managed financial reporting systems

- Slick data collection methods

- Improved understanding of finance for SCVS non-finance staff

- Full engagement of all budget holders

- SCVS staff sharing their financial literacy across the sector

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# Obstacles

- Costs

- Time

- Reliance on cloud IT systems

- Data security

- Resistance from coworkers