

# AI in financial reporting and auditing: from hype to revolution

## What does the AI transformation look like in Dutch organizations?

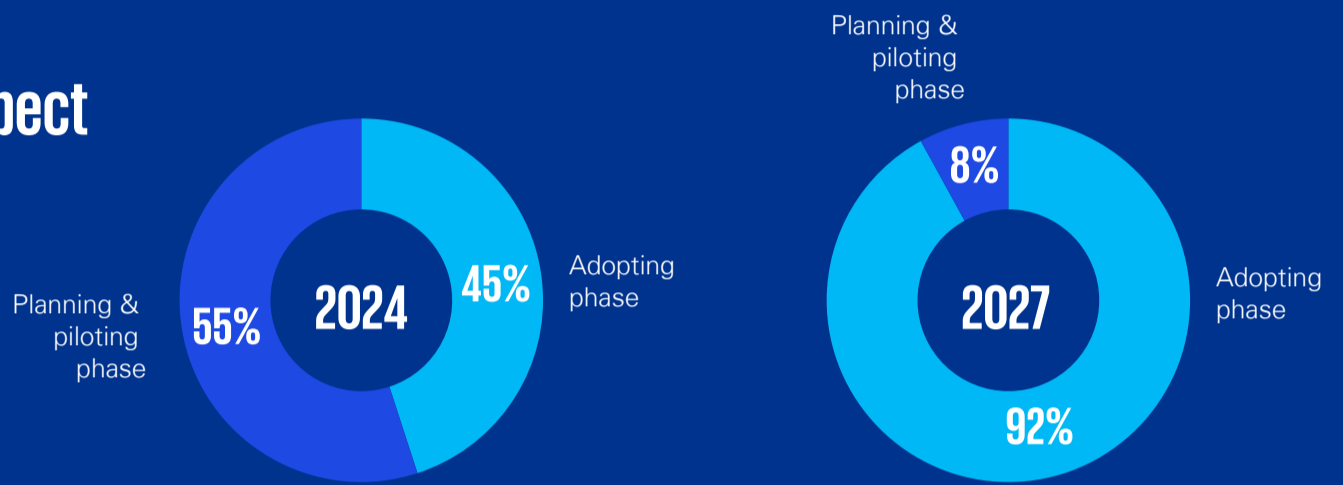
Artificial Intelligence is transforming the world of financial reporting and auditing. It is no longer seen as a hype but is a priority today for auditors and organizations. How far will this go?

To understand how financial reporting executives feel AI adoption is progressing within the finance function, its impact on internal finance teams, and expectations for external auditors, KPMG surveyed financial reporting executives and board members at 1,800 companies across six industries, ten countries and jurisdictions, and varying revenue sizes.

In this infographic we do a deep dive into the survey results of the 100 Dutch respondents, and compare these to the global results, to get a clearer view on how the Netherlands is navigating in the AI era.

### Almost all organizations expect to adopt AI in three years

In the Netherlands there are great ambitions to adopt Artificial Intelligence in financial reporting.



**45%**

of the companies surveyed in the Netherlands are planning to increase their AI investments by at least

**25%** over the next years.

### Investing in AI becomes priority

It is shown that AI is already attracting significant investment in the Netherlands. Currently, AI accounts for 10 percent of the IT budget for the majority of companies. In addition, the research shows that investing in AI did become priority. This shows that AI is expected to play a big role in how businesses in the Netherlands will operate in the future.

### Gen AI common practice within the field in three years

Almost all the respondents in the Netherlands, 94 percent, expect that generative AI will become common practice within the audit and financial reporting field, within three years. Companies clearly intend to take action: 67 percent of the companies in The Netherlands expect to have adopted generative AI in three years (currently: 23 percent).



### Enhancing audit: Data & Analytics, Gen AI and Cloud Technology biggest priorities among Dutch respondents

Noticeable is the prioritization of generative AI to enhance financial reporting. This technology is currently used in 22 percent of the companies surveyed in the Netherlands and is prioritized in the next financial year by 44 percent of the surveyed companies.

It should also be noted that Data and Analytics is a bigger priority among the respondents in the Netherlands (59 percent), compared to the global respondents (49 percent).

The prioritization of ERP implementation, on the other hand, has decreased significantly. This technology is currently used by 66 percent but is a priority for only 19 percent of the surveyed companies in the next financial year.



# In the Netherlands most benefits are expected from ability to predict trends, better data enabled decisions and real time insights.

In the Netherlands, companies want their auditors to use AI for three key purposes, the next three years:

## 1. Develop more proactive, continuous and predictive processes

More than half of the respondents in the Netherlands want their auditors to prioritize predictive analyses.

## 2. Gather data and value-added audit insights

Many companies in the Netherlands expect their auditors to harness AI's ability to analyze vast sets of data and find insights that may not be identified through traditional analyses.

## 3. Real Time Insight

More than 60 percent of the companies in the Netherlands expect to see benefits from Real Time Insight. This perspective deviates from the insights gathered from other countries worldwide, where the improvement of efficiency and accuracy of audits is more seen as a benefit.

Which benefits does your company expect to see or continue to see in three years?



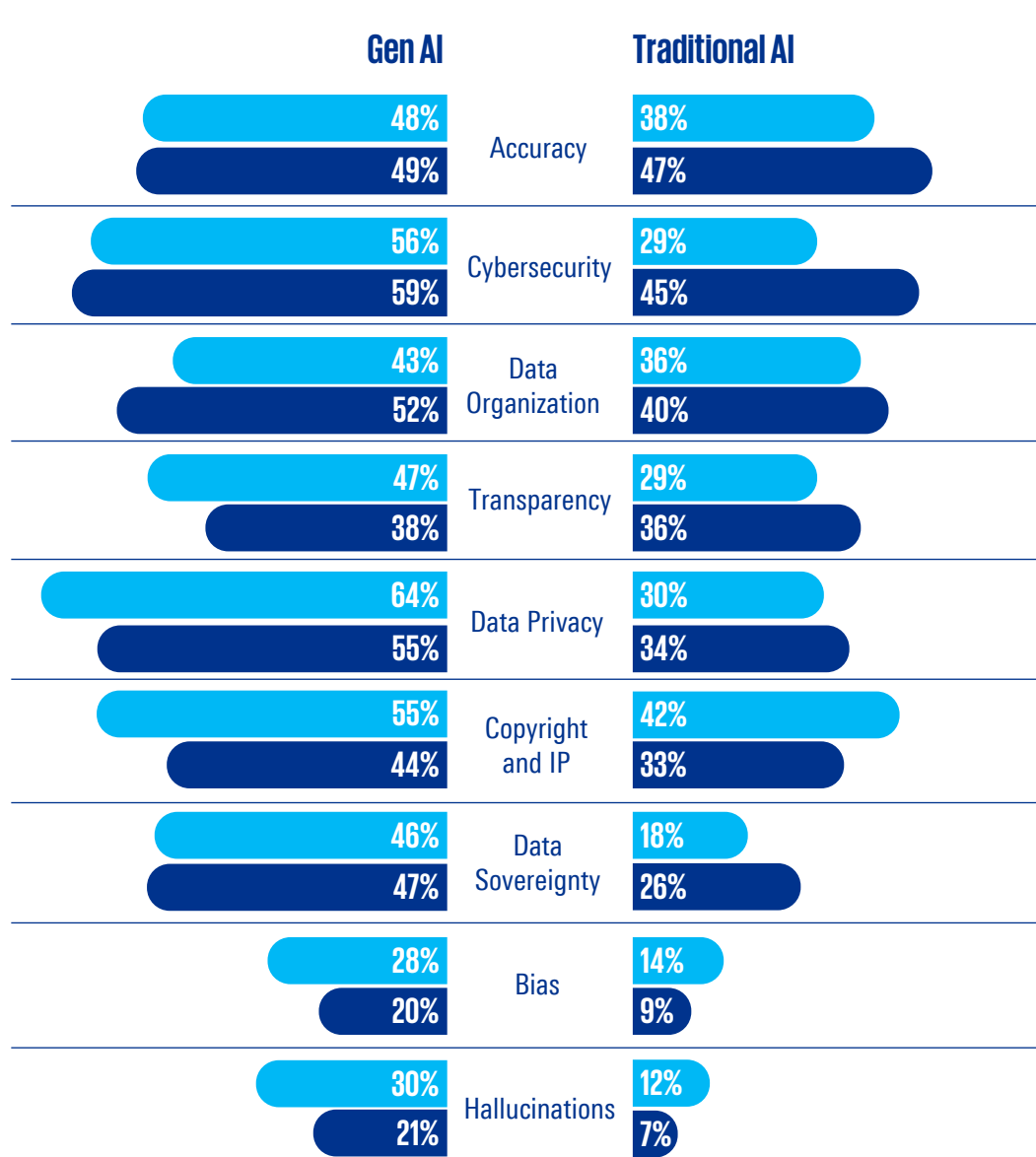
## Concerns & Hurdles

# More concerns around Data Privacy and Transparency in the Netherlands than on global level.

The biggest concerns companies in the Netherlands have around the use of traditional AI in financial reporting and auditing, are around Copyright and IP (42 percent), Accuracy (38 percent), and Data Organization and Management (36 percent). More companies have concerns about Gen AI than traditional AI. Data Sovereignty (46 percent vs. 18 percent), Cybersecurity (56 percent vs. 29 percent), Data Privacy (64 percent vs 30 percent), and Hallucinations (30 percent vs. 12 percent) are much bigger concerns for generative AI.

Remarkable is that concerns around Data Privacy (64 percent vs. 55 percent) and Transparency (47 percent vs. 38 percent) when using generative AI are higher in the Netherlands than on global level.

Areas of large concern in the Netherlands, in comparison to the global results



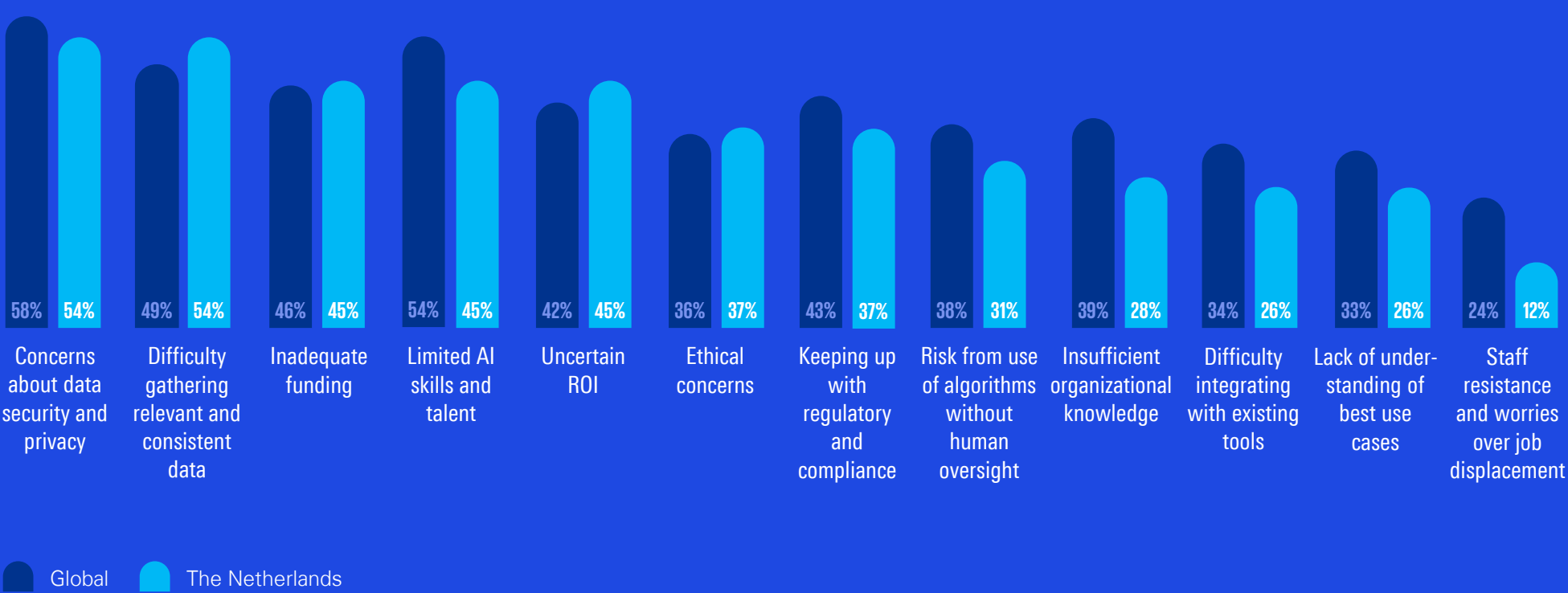
## Barriers

# Less resistance and worries about job displacement in the Netherlands

As companies start implementing AI in the Netherlands, different challenges come to the fore. Existing concerns about data security and privacy (58 percent), difficulties with gathering relevant and consistent data (54 percent), inadequate funding (46 percent), limited AI skills and talent (54 percent) and uncertain ROI (42 percent) are hurdles when setting out AI.

Remarkable is that, in the Netherlands, less resistance and worries over job displacement is seen. The Dutch survey results show that only 12 percent of the respondents show resistance and worries over job displacement, compared to 24 percent on global level. An innovative culture could possibly explain this difference.

What are the biggest barriers to your company's adoption of AI for financial reporting?



## Contact and information details

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