Finance Function Reimagined with AI

KPMG | Finance for Government and Public Sector

2025

AI might not be new, but it is moving very fast, and public sector organisations need to think differently and quickly understand how to leverage it. A marriage of Generative AI capabilities and finance can create better speed and efficiency by eliminating redundant or manual activities, allowing finance professionals to focus on higher value tasks.

72% Of CEOs say Generative AI is a top investment priority despite uncertain economic conditions and most expect to see returns within 3-5 years *(KPMG 2023 CEO Outlook)*

Aligning Gen AI with your functional transformation: a strategy for success

Artificial Intelligence (AI) a broad term for any technology that allows computers to mimic human intelligence. This includes tasks like learning trends from data, or decision-making based on trends.

Generative AI (Gen AI) is a subset of AI that focuses on creating new content, including text, image, audio and video generation.

Gen AI is set to revolutionise finance with a wave of transformative opportunities. From core functions such as fraud detection to crafting personalised advice and interactive educational experiences using engaging videos and simulations, Gen AI drives operational efficiency and enhances user experience.

Disruption presents significant opportunity for finance organisations

By unlocking the power of digital technologies, AI has the potential to deliver significant value to finance and other corporate functions.

For example:

- **>90%** automation of transaction processes
- **15X** faster close & planning cycles
- **10X** more time spent on analytics, decision support and innovation
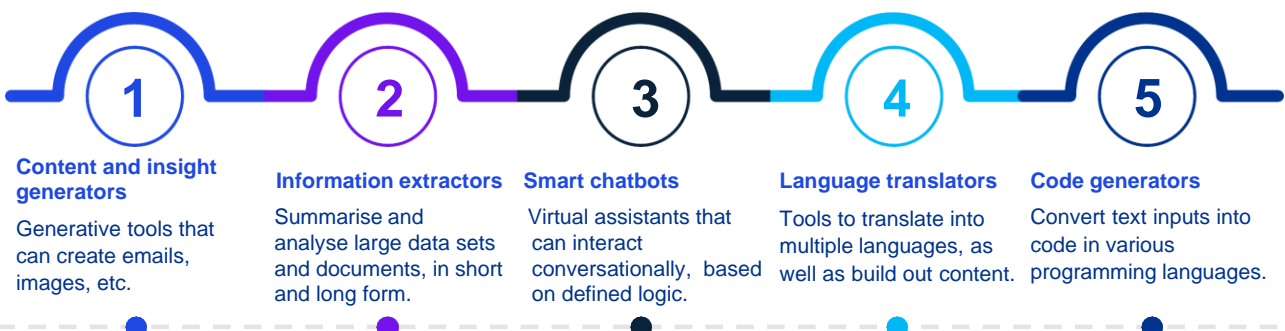- **80%** more accurate forecasts
- **98%** confidence in audit compliance

Where can Gen AI add value?

Core organisational functions are the primary drivers of Gen AI implementation. These functions have a crucial role in executing organisational strategies, creating and protecting value, building an effective enterprise architecture, and maintaining data. Finance functions possess potential disruption opportunities and can harness the power of Gen AI across five enabler categories:

1 Content and insight generators
Generative tools that can create emails, images, etc.

2 Information extractors
Summarise and analyse large data sets and documents, in short and long form.

3 Smart chatbots
Virtual assistants that can interact conversationally, based on defined logic.

4 Language translators
Tools to translate into multiple languages, as well as build out content.

5 Code generators
Convert text inputs into code in various programming languages.

Emerging use cases of Gen AI in finance

Finance should be at the centre of Gen AI adoption across the organisation - its role as a business partner puts it in an ideal position to lead enterprise adoption. Here are some Gen AI applications in the finance function we are already seeing that can improve organisation-wide understanding and storytelling.

Intelligent forecasting & budgeting

Integrating predictive models, creating scenarios, and generating insights on potential financial outcomes.

Generating commentary

Reduce the time and effort needed to create recurring materials required for financial reporting, business reviews, management reports, and board meetings.

Generating strategic insights

Partner with other functions to provide insights. Use finance's position to inform strategic decisions and solve problems with performance and benchmarking metrics.

Managing contracts

Gen AI tools can draft contracts with preferred terms and prioritise contract reviews based on deviations from standard terms and conditions.

What are some of the risks?

Understanding the impact and velocity of these risks is key to safe and secure adoption of AI.

Risks	Mitigations
Data bias in training datasets could lead to unfair or discriminatory decisions in financial applications	By using diverse and unbiased training data, the risk of bias in Gen AI outputs is reduced.
Generative AI models can sometimes generate inaccurate or misleading information.	Verify the accuracy and reliability of Gen AI outputs before relying on them.
Gen AI models can be vulnerable to attacks, which could compromise sensitive financial data.	Implement strong security measures to protect sensitive financial data from attacks.

How to get started

Speed, agility and effective cross-functional collaboration are critical to scaling responsibly.

Organisations need to...

- Agree AI vision with leaders and capture opportunities and risks
- Prioritise areas of highest impact
- Define the data strategy, AI roadmap and business case
- Align on any cross-functional requirements
- Launch pilots and implement quick wins to build momentum

How can KPMG help?

- Accelerate mobilisation
- Modernise data and AI platforms
- Create an AI driven culture
- Transform functions and workforce
- Maintain trust and compliance and mitigate risks

Contact us:

Melanie Knight
Partner, Infrastructure, Government and Healthcare
E: melanie.knight@kpmg.co.uk

Mark Lyseight
Director, Infrastructure, Government and Healthcare
E: mark.lyseight@kpmg.co.uk

Chib Umerah
Senior Manager, Infrastructure, Government and Healthcare
E: chibuzor.umerah@kpmg.co.uk

kpmg.com/uk

Document Classification: KPMG Public