Maryland Government Financial Officers Association – AI, Digital Tools and Trends in Municipal Finance

CLA Digital

October 2023

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Our Promise

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Seamless, integrated capabilities

Premier resource for private business and owners

Inspired careers

Driven by **Our Values**

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Transparent

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Inclusive

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Reliable

We respond in hours, not days; we follow through, protect our client data, and produce quality results

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Introduction

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Today's Agenda

1. Data Transformation – transparency and automation
2. Artificial Intelligence – key trends and applications to accounting
3. Human Digital Literacy – continuous learning, potential risks and ethical concerns

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Data Transformation - Transparency & Automation

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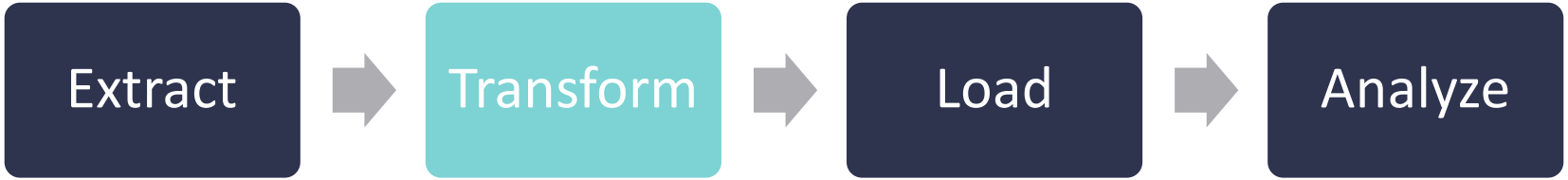
What is Data Transformation?



Data Transformation is the middle step of ETL; it is the process of changing the format, structure, or values of data. It is how you 'show' the data.

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Excel Swamp

- “It’s what we’ve always done”
- Pivot tables & power query
- Limited in functionality
- **Just because you understand it, doesn’t mean everyone else does!**

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Business Intelligence Tools

Consumer flexibility to transform on when to consume the data and how to consume the data. One report can serve the needs of many consumers.

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Business Insights through Business Intelligence Tools

Connect multiple key data sources for integrated reporting

Reduce the time taken to complete financial reporting

Generate accurate financial forecasting based on business metrics

Accurate and timely business insights

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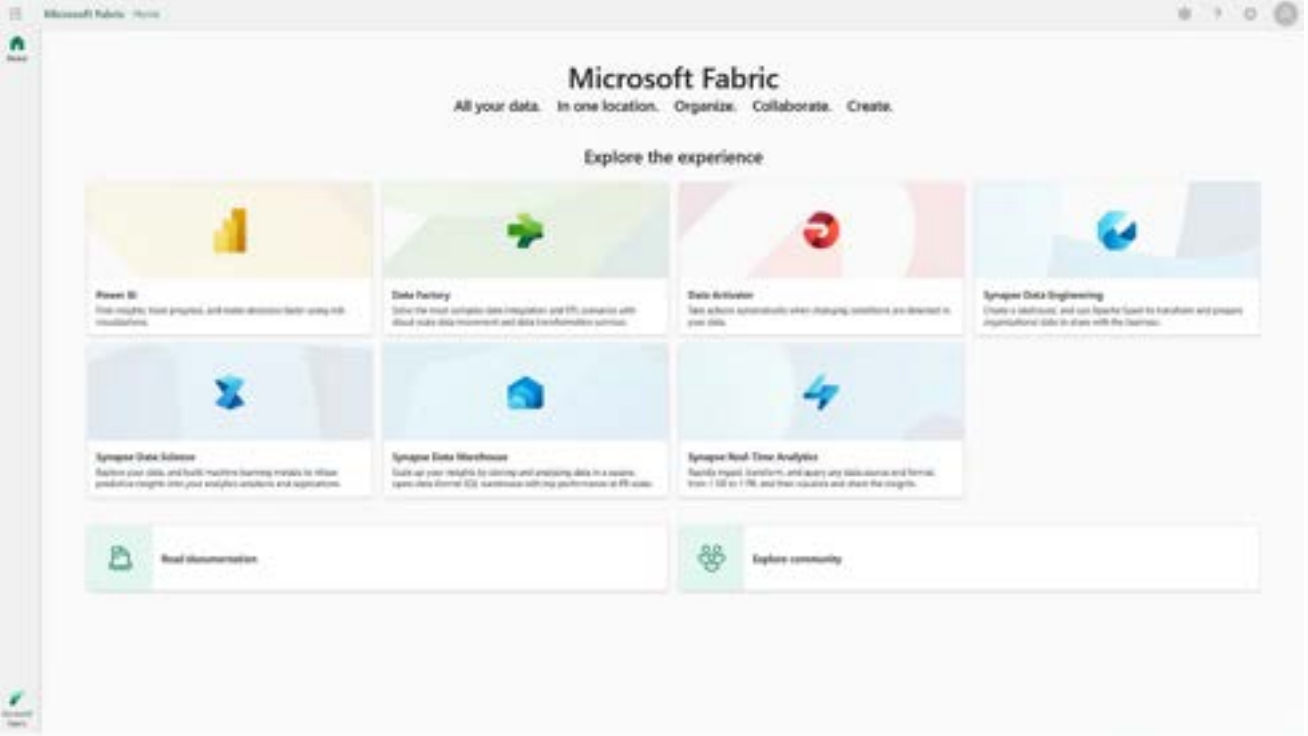

Business Intelligence in the Future – Microsoft Fabric

End-to-end data analytics tool that provides a unified data foundation.

Integrated with Microsoft Co-Pilot brings all the data power at your fingertips.

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Elevating and empowering your workforce with AI

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What is Artificial Intelligence?

Artificial Intelligence is the ability of a computer (or computer-controlled robot) to do tasks that are usually done by humans, that require human discernment and intelligence.

- AI Models are programs that analyze data sets, find patterns, and make predictions. AI *replicates* human intelligence and gains strength through multiple data sets.
- AI is a *supplemental* tool. Does not replace humans.
- Examples of AI in Accounting
  - Automated Data Capture, for example AP processing using OCR
  - Generated AI, for example ChatGPT
  - Anomaly Detection, for example fraud detection in Purchase Card use

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AI in Everyday Life

- ✓ Social Influence – your devices are collecting thousands of data points, being used to influence your decision making.
- ✓ Google, Amazon Search – rank, pull up most relevant content.
- ✓ Bank – credit card fraud alerts
- ✓ Zoom/Teams – closed captioning, voice to text
- ✓ iRobot – mapping your home
- ✓ Smart Thermostat – learning your temperature habits
- ✓ Smartphone maps – suggested repeated locations
- ✓ Self Driving vehicles

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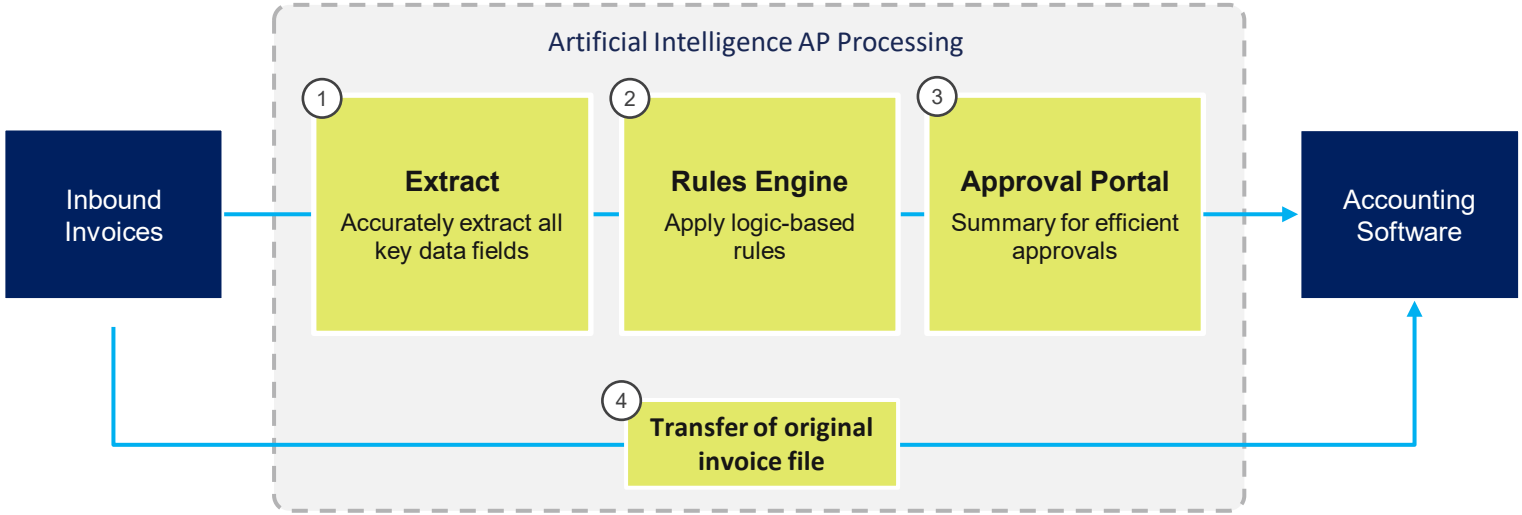
Example - AP Process Automation



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Leveraging the power of Generative AI – Internal Use

Enhancing human potential and productivity

Powerful and intuitive search for accurate and timely data retrieval

Efficiency driving personal assistance

Answer *with* source citation (trust but verify!)

Generative AI is transforming the daily work experience

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Leveraging the power of Generative AI – Internal Use

Preparation
- Research complex accounting topics
- Draft examples
- Identify and source standards

Analysis
- Analysis of complex documents & data
- Audit opinion analysis
- Contract analysis

Fraud/Anomaly Detection
- Large data sets, e.g. credit card
- Census, contribution and distribution data
- Internal audit

Summarize
- Data review
- Contract review
- Meeting minutes

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Leveraging the power of Generative AI – Public Facing

Enhancing human potential and productivity

Powerful and intuitive search for accurate and timely data retrieval, including citing the source

Reduce incoming email and phone call traffic

Efficiency driving community engagement

Back-end analytics to inform decisions

Generative AI can transform community engagement!

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Human Digital Literacy

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‘For companies *embracing the technology*, employees view AI as a constructive force. 92% say AI is having a *positive impact* on their work.’

MIT Technology Review
Generative AI is empowering the digital workforce | MIT Technology Review
July 25, 2023

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Ethical Considerations

- **Deep Fakes**
  - Mimic a CEO's Voice
  - Spread misinformation
- **Prompt Injection** – using prompts to force an AI to ignore its guard rails and perform unintended actions
  - Potential leak of sensitive information
  - Lacks simple mitigation
- **Data Poisoning** – purposefully introducing malicious data into the training data for an AI model
  - Leads to bias that perpetuates

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Managing AI Risk

- **Trust but Verify** – all users have a responsibility to verify AI output.
  - "It's a mistake to be relying on AI for anything important right now"
    - Sam Altman, CEO of OpenAI
- **Include AI in Acceptable Use Policies** – if you don't have a policy, you need to consider it now!
- **AI Focus Groups** – create and lead AI focus groups on navigating AI decisions

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AI *won't replace* humans. But, humans with AI *will replace* humans without AI.

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Thank You

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