



AI in financial reporting and audit: Navigating the new era

US Survey Results: Financial Services

KPMG. Make the Difference.

KPMG US | [visit.kpmg.us/NavigatingAlAndAudit](https://www.kpmg.us/NavigatingAlAndAudit)



Introduction

In the US, as in other countries, artificial intelligence (AI) is transforming all areas of business, including financial reporting and auditing. Instead of relying on time-consuming manual processes and statistical sampling, companies are able to automate data gathering and entry from a huge variety of sources, magnifying their ability to identify anomalies, manage risks, and derive predictive insights. Hand in hand, AI is also bringing new capabilities to their auditors—which will help US and multi-national companies not only take their financial reporting to the next level, but also derive greater value from their audit.

KPMG surveyed 1,800 financial reporting leaders across industries and around the world—including **300 in the US**—and found that we are on the cusp of an AI-driven financial reporting and auditing revolution. While there are hurdles to overcome to ensure the responsible use of AI, the benefits are enormous. Wholesale improvements in insight generation, anomaly detection, risk control, and data-enabled decision-making will make financial reporting smarter, faster, and more efficient than ever before. At the same time, audits will become of higher quality and more dynamic, with real-time insights into trends and risks.

Welcome, not to the distant future, but to what's only just around the corner.



Note: This report includes data specific to the Financial Services industries. For the full report, please [click here](#).



Camille Asaro
Private Equity National Audit
Leader, KPMG US



Troy Butts
Asset Management National Audit
Leader, KPMG US



Diana Kunz
Banking & Capital Markets National
Audit Leader, KPMG US

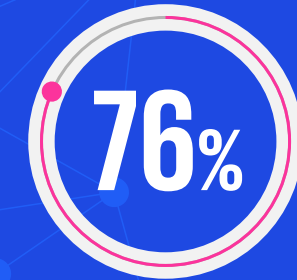


Kyle Ten Pas
Insurance National Audit Leader,
KPMG US

Progress by industry: Financial services

Not all industries in the US are adopting AI in financial reporting at the same speed. Technology, media, and telecoms companies—generally early adopters of advanced technologies—are the most mature, followed by financial services providers and companies in the energy industry. Manufacturing, consumer/retail, and healthcare/life sciences are further behind. Following is an overview of the progress made by companies in the financial services industry.

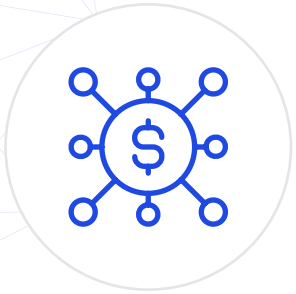
According to our research, financial services is the second-most-advanced industry in using AI in reporting.



Financial services companies piloting or using AI in reporting



Financial services companies piloting or using GenAI in reporting



Financial services

The financial services industry is seeing more benefits than most others.

Better data-enabled decision-making **64%**

Ability to predict trends and impacts **64%**

Real-time insights into risks and fraud **60%**

Financial services companies also recognize the potential for using GenAI in financial reporting and will prioritize more (66%) than others over the next three years. GenAI can help financial services companies automate compliance and scenarios and stress testing, as well as predict risks, all important considerations for the industry.

89% of financial services companies place the highest value on machine learning for financial reporting due to its ability to automate repetitive tasks such as data entry, reconciliation, and analysis, critical for an industry making thousands of daily transactions. ML algorithms excel at analyzing large datasets, identifying patterns, recognizing fraud, and making predictions based on historical data.

However, not all companies in this industry are equally advanced. Banks outpace insurance, wealth management, and real estate companies in many areas. As a result, financial services companies as a group have not caught up with others in some areas of AI in reporting, particularly board oversight.

Where financial services companies are slower than some other industries is in the standardization of the system landscape, management of master data quality, and discontinuation of legacy systems. Some unique industry challenges, such as regulatory and risk management considerations and the need for business continuity, may be impacting their speed of adoption.

Financial services: Data at a glance

Maturity score

72

(36% are leaders)

AI spending increase next year

24%

Piloting/using AI

76%

AI spending increase in 3 years

22%

Piloting/using GenAI

55%

Number of board actions,
relative to other industries

Low

AI with highest value

ML (89%)

Preparation for AI,
relative to other industries

Low

AI % of tech budget

12%



See full report: [visit.kpmg.us/NavigatingAIandAudit](https://www.kpmg.us/NavigatingAIandAudit)

Contact us



Camille Asaro
Private Equity National
Audit Leader, KPMG US
E: casaro@kpmg.com
T: 212-954-4610



Troy Butts
Asset Management National
Audit Leader, KPMG US
E: tbutts@kpmg.com
T: 214-840-2107



Diana Kunz
Banking & Capital Markets
National Audit Leader, KPMG US
E: dmesch@kpmg.com
T: 312-665-8437



Kyle Ten Pas
Insurance National
Audit Leader, KPMG US
E: ktenpas@kpmg.com
T: 515-697-1337

For the full report, please visit
[visit.kpmg.us/NavigatingAlandAudit](https://www.kpmg.us/NavigatingAlandAudit)

Learn about us:  | [kpmg.com](https://www.kpmg.com)

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization. USCS019703-1A