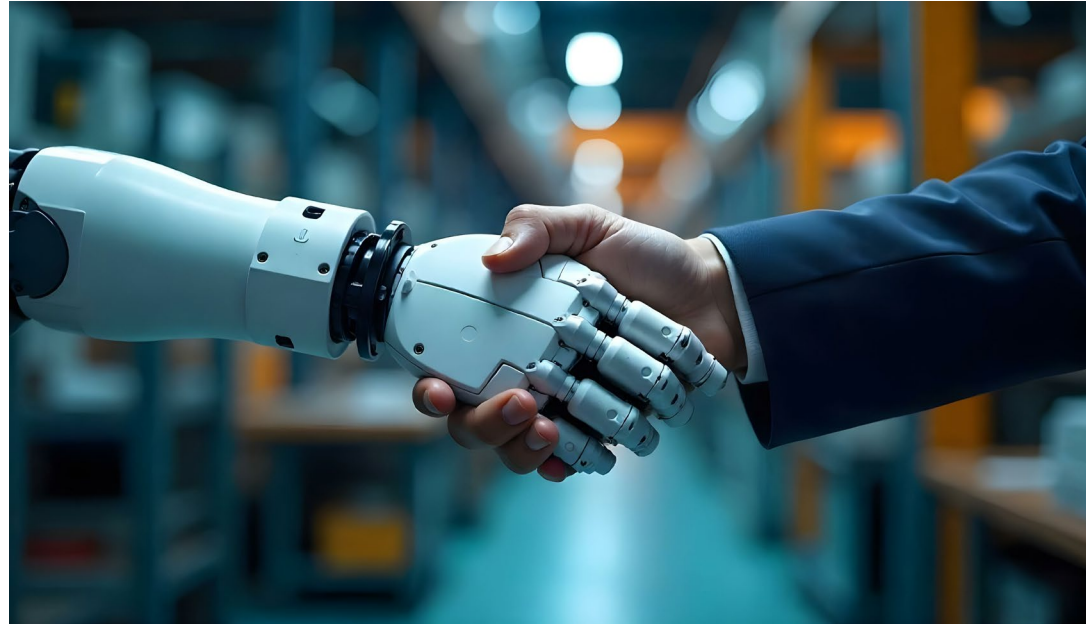


AI for CPAs and CFOs: How it Works and How to Apply it



Presented By
John H. Higgins, CPA.CITP
Rochester, Michigan

Learning Objectives



- Understand the fundamentals of AI technology
- Recognize the potential of this powerful technology for CPAs and CFOs

John H. Higgins, CPA.CITP

Strategic Technology Advisor



john@higginsadvisoryllc.com

Copyright (c) 2025 Higgins Advisory, LLC - Unauthorized Reproduction Prohibited.
Nationally recognized thought leader, advisor, author and speaker on CPA technology

Strategic technology advisor to the profession w/ 35+ years of experience

Founded and sold two CPA technology advisory startups

Former National Mid-market Technology Partner - BDO

CPA Practice advisor Top 25 Thought Leader for the CPA profession

AICPA Business & Industry Hall of Fame Inductee

Past Chair of the Michigan Association of CPAs

Passionate advocate for the CPA profession!

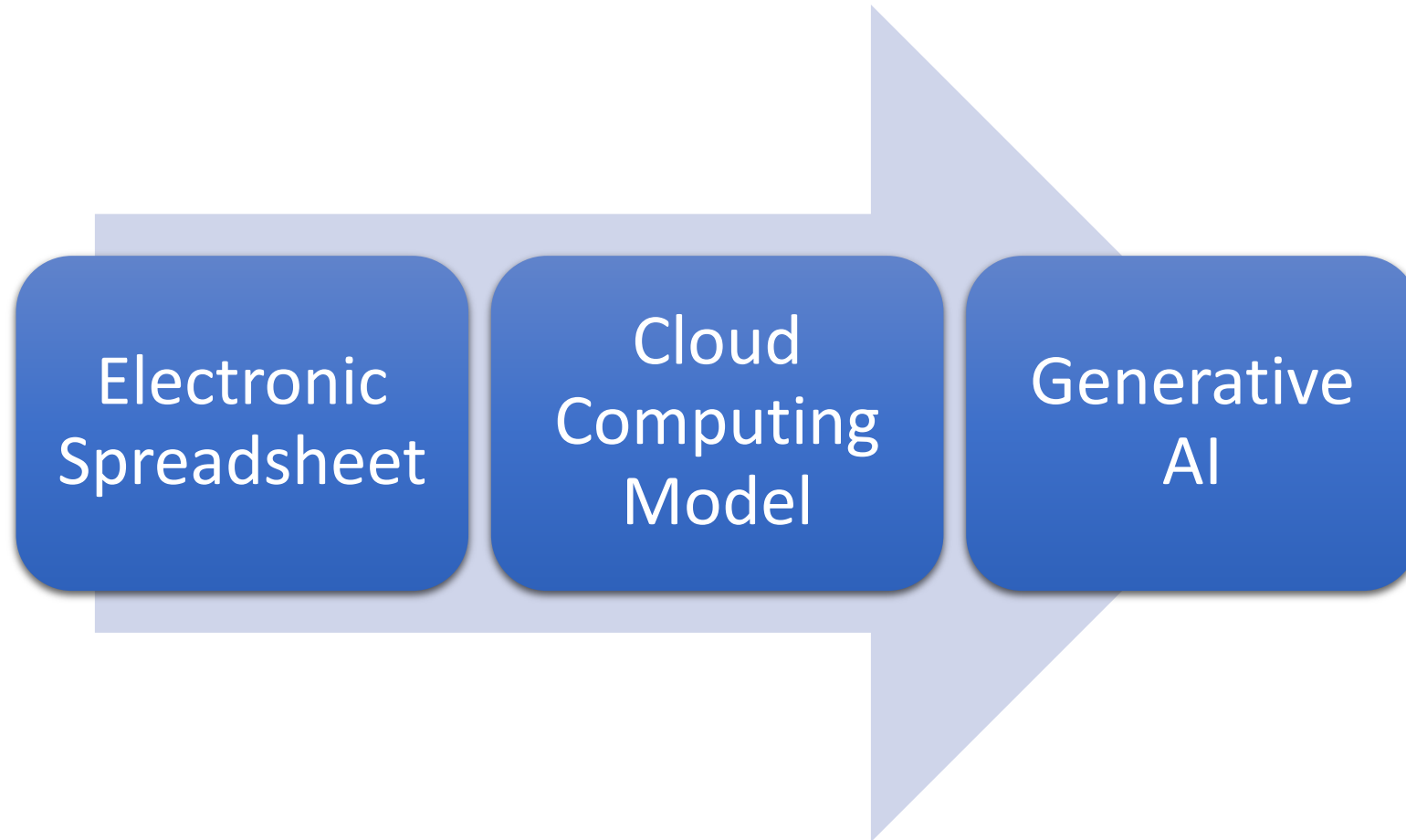
Presentation Outline

- Understanding the Impact of AI
- Generative AI Fundamentals
- Using AI in Accounting / Tax / Finance / Advisory
- Prompt Optimization
- Picking Your AI Tools
- A Word of Caution
- Identifying AI Opportunities in Your Organization
- What Comes Next for AI
- Wrap-up

UNDERSTANDING THE IMPACT OF AI



The Big Three CPA Technology Revolutions



THE IMPORTANCE OF UNDERSTANDING AI



“AI will probably most likely lead to the end of the world,
but in the meantime, there will be great companies.”

Sam Altman

Co-Founder & CEO, OpenAI

“Robots will be able to do everything better than us. I am not sure exactly what to do about this. This is really the scariest problem to me.”

Elon Musk

Founder, Tesla & SpaceX

“The most important thing to know about AI, it is the first technology in history that can make decisions by itself and can create new ideas by itself.”

Yuval Noah Harari
Best Selling Author - Sapiens

Salesforce and AI

This is the first time in Salesforce's 25-year history (2025) that we are budgeting for zero increase in our software engineering team. AND we are projecting a 30% increase in productivity from our existing team!

Marc Benioff, CEO & Co-Founder
Salesforce

Google and AI

Last year (2024) 30% of Google's software development was coded by AI!

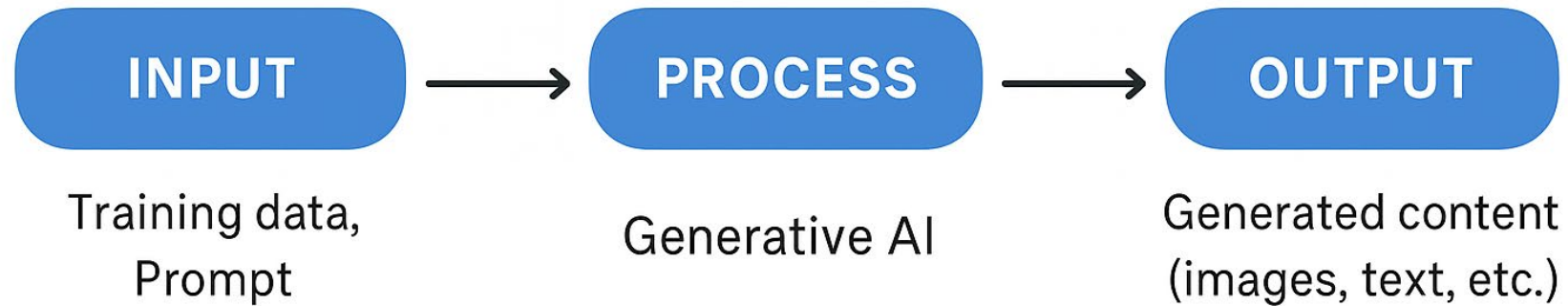
Eric Schmidt, Former Chairman and CEO
Google

PwC Inks Mega Deal with OpenAI

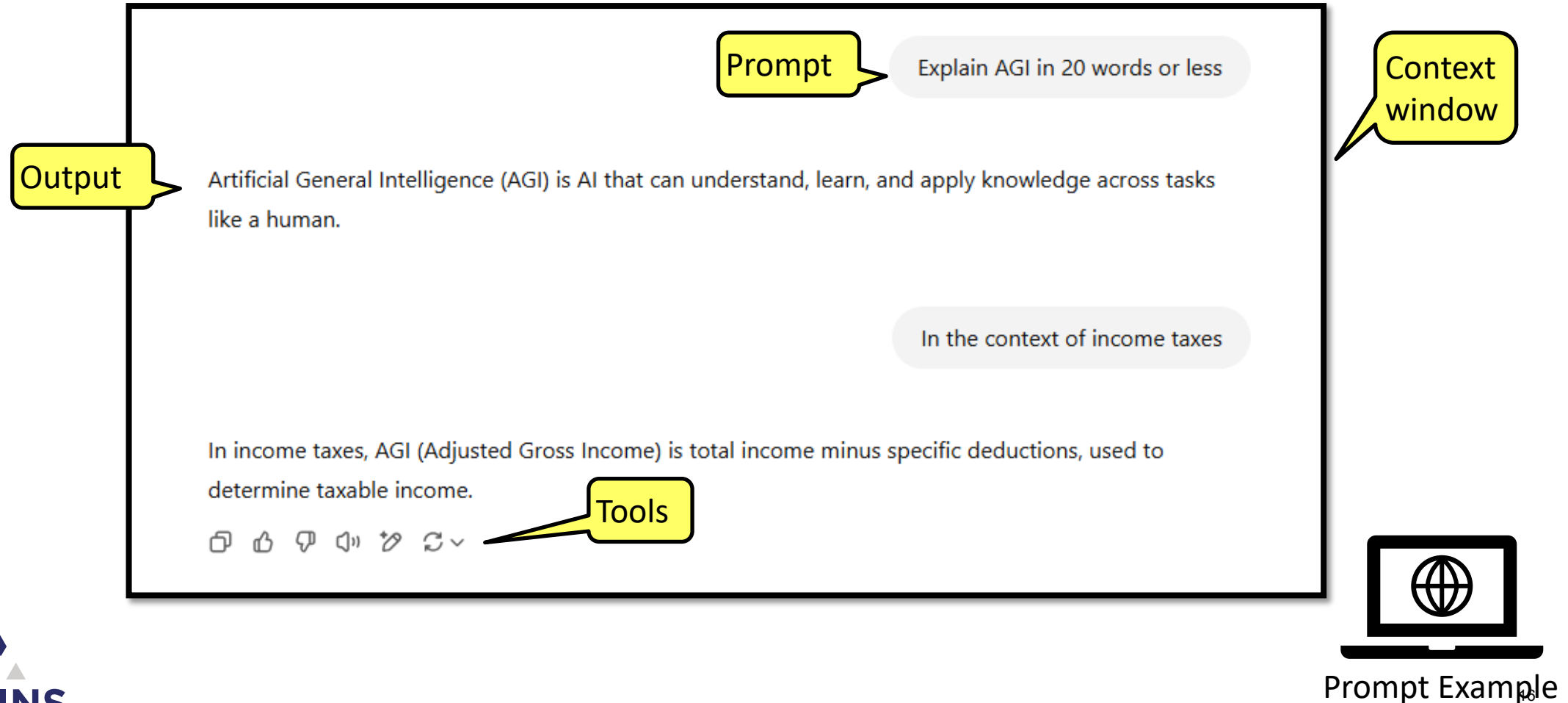
- Largest user of ChatGPT w/ 100,000 users
- First reseller of ChatGPT
- 950 of top 1,000 clients engaging with generative AI
- PwC announced in 2023 a **\$1 billion** dollar commitment to generative AI training and tools over a three-year period

AI is important!

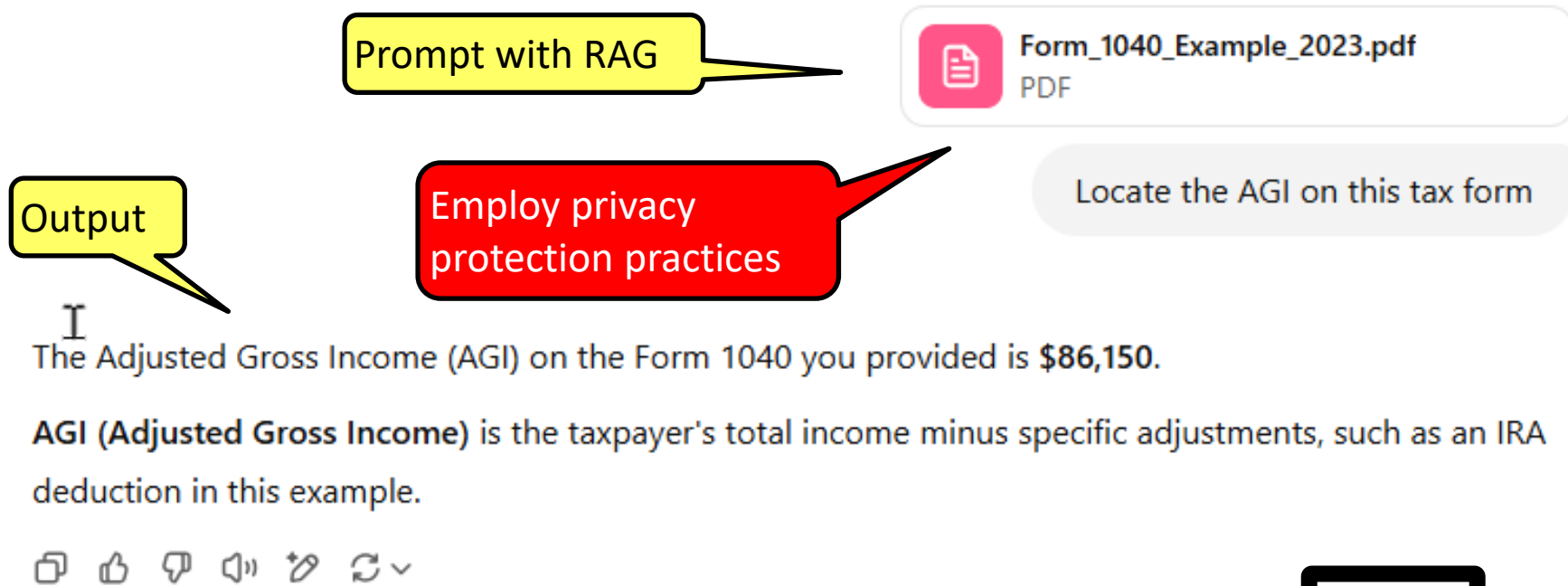
GENERATIVE AI FUNDAMENTALS



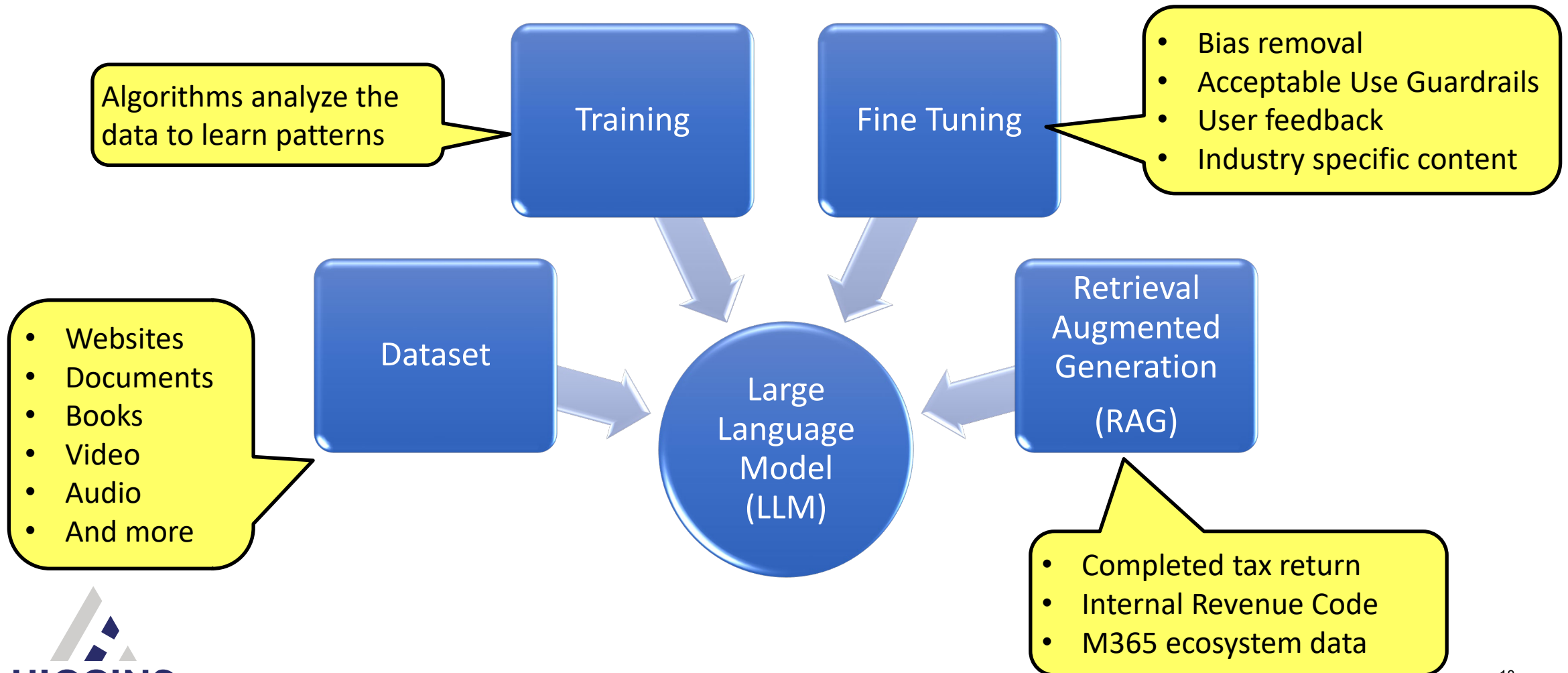
A Simple Generative AI demo



A Simple Generative AI demo with RAG (Retrieval Augmented Generation)



Building a Large Language Model (LLM)



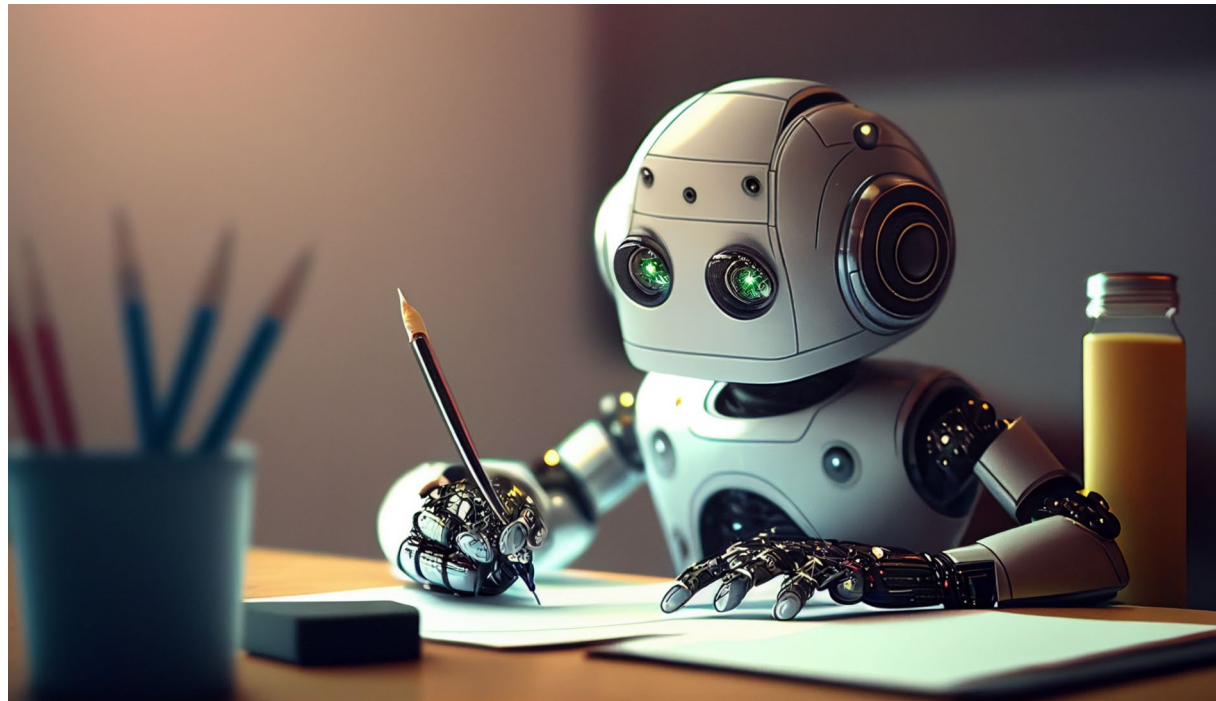
Sample Prompt for Financial Statement Analysis

- Analyze the attached NVIDIA financial statements, including the income statement, balance sheet, and cash flow statement.
- Identify key financial metrics, trends, and potential risks. Provide insights on revenue growth, profitability, liquidity, solvency, and cash flow management.
- Highlight any significant changes year-over-year and compare them to industry benchmarks if possible.

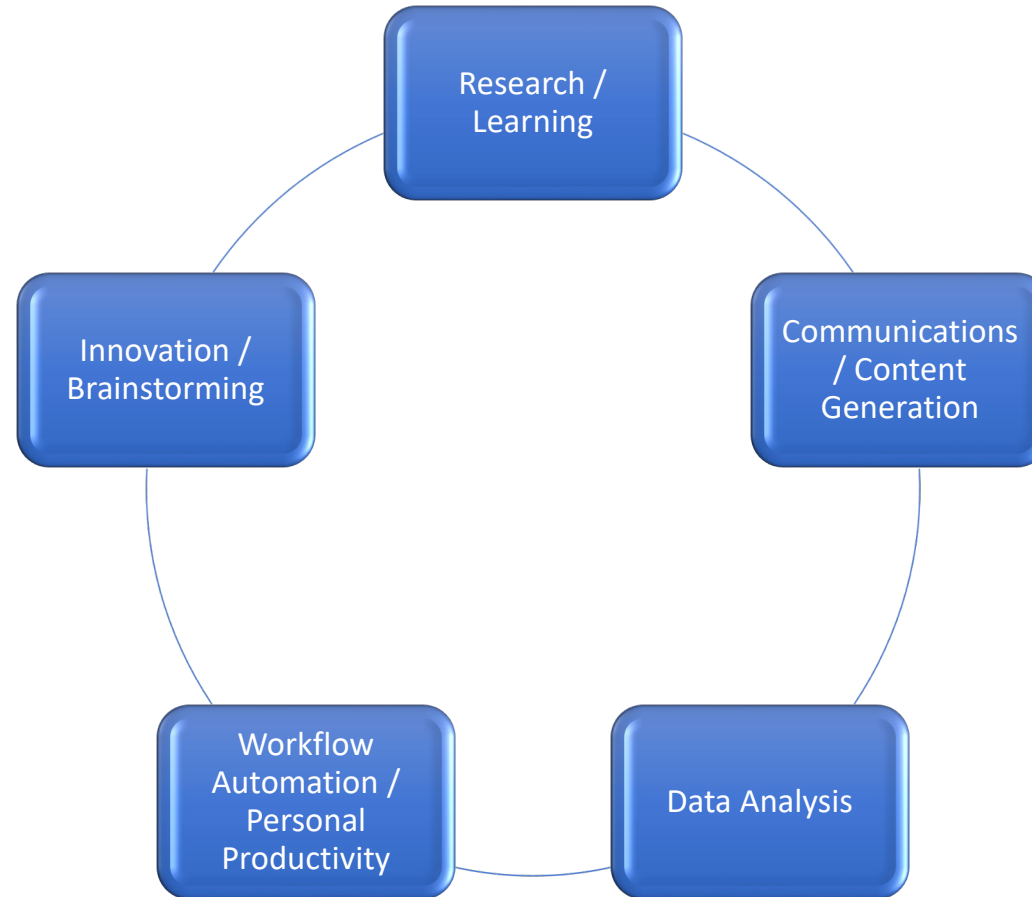


Prompt Example

USING AI IN ACCOUNTING / TAX / FINANCE / ADVISORY



Generative AI Applications for CPAs



Research & Learning Applications

- Tax / accounting / auditing research
- “Just in time” software applications training
- Rapidly develop industry knowledge
- Financial market research

Research & Learning Examples

- [Research accounting standards](#)
- [Learn about a special topic \(Bitcoin ETF\)](#)
- [Learn how to build an Excel workbook for predictive analytics](#)

Communications & Content Generation Applications

- Explain a complex tax strategy to a lay person
- Generate talking points for a client meeting
- Develop a presentation of financial statements for a non-profit board of directors
- Create content for a website
- Develop an AI usage policy for your company

Communication and Content Generation Examples

- Create an ad for a staff accountant
- Create and document policies & procedures
- Create a presentation on a technical topic (Secure Act 2.0)

Data Analysis Applications

- Analyze financial reports to extract key metrics
- Analyze transaction ledgers for fraud
- Analyze contracts and leases in a financial audit
- Analyze historical financial data to predict future performance
- Analyze terms of a business transaction to determine the tax implications

Data Analysis Examples

- Identify required footnote disclosures
- Analyze contracts / lease agreements
- Analyze Transaction Data (ChatGPT)
- Analyze Transaction Data (Microsoft Copilot)

Workflow / Personal Productivity Applications

- Develop Excel macros to automate routine tasks
- Compose / reply / analyze / organize emails
- Document and summarize online meetings
- Develop custom applications to automate routine tasks

Workflow Automation / Personal Productivity Examples

- [Design a chart of accounts](#)
- [Develop an audit program](#)
- [Develop audit workpapers](#)
- [Create a quiz to screen bookkeeper applicants](#)
- [Create an Excel macro](#)

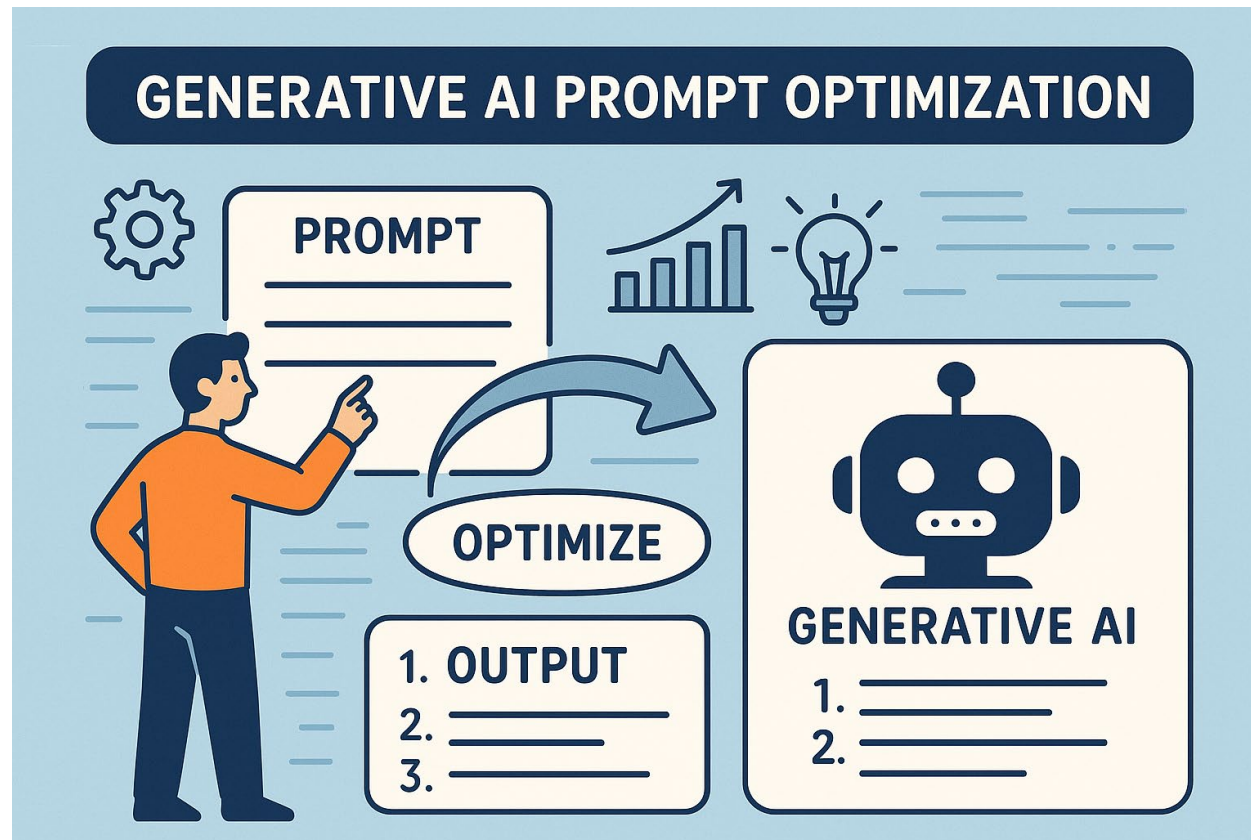
Innovation Applications

- Develop a new service offering
- Enhance value of existing services
- Strategic planning / brainstorming

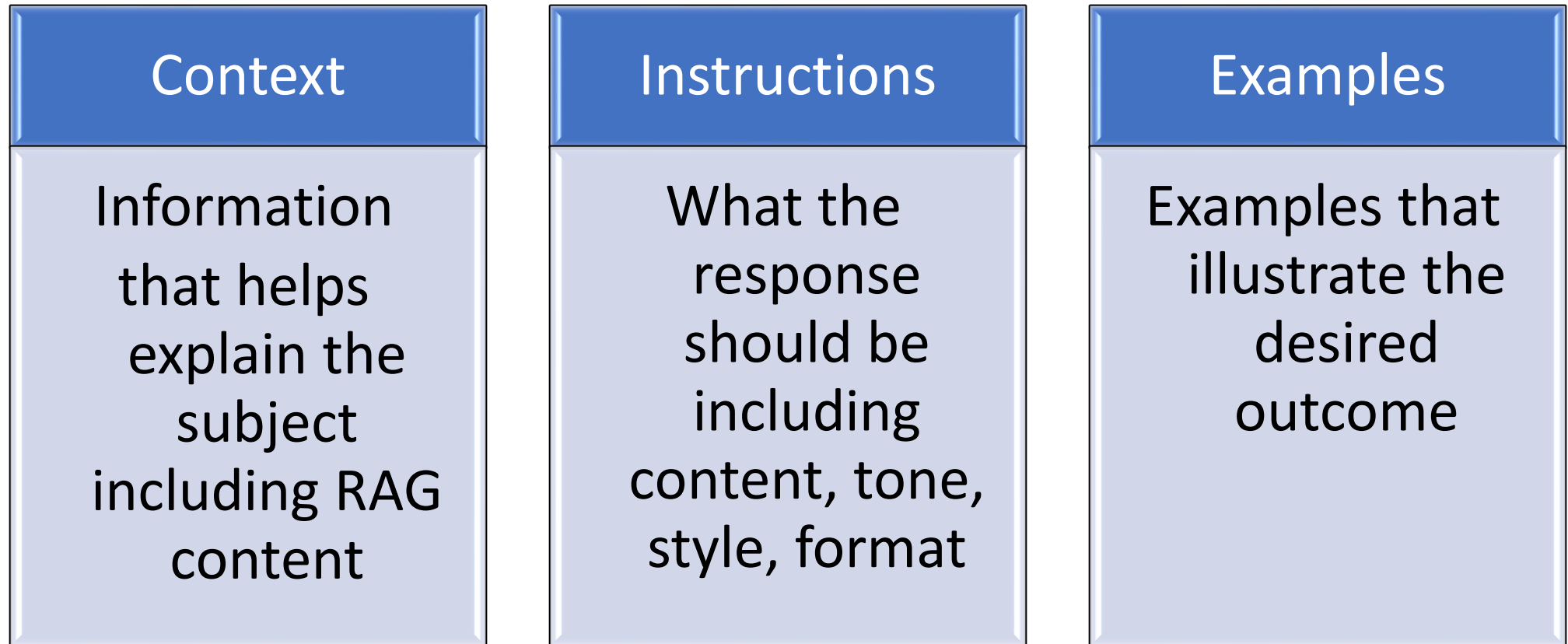
Innovation Examples

- Develop an advisory service offering
- Develop service delivery process
- Create a marketing communications plan

PROMPT OPTIMIZATION



“Prompt” Components



Best Practices for Effective Prompts

- ***Clarity*** – use clear and concise language
- ***Specificity*** – be specific about the task and output
- ***Conciseness*** – Focus on essential details only
- ***Iteration*** – Test and adjust prompt as appropriate
- ***Define Terms*** – Spell out acronyms

RAG (Retrieval Augmented Generation)

- “***Retrieve***” relevant information from external sources
- “***Augments***” the prompt
- “***Generation***” by AI utilizing the prompt and retrieve content
- Examples; documents, images, websites

SBAR Prompt Methodology

- ***Situation*** – What's going on?
- ***Background*** – What is the context?
- ***Assessment*** – What do you think the problem or need is?
- ***Recommendation*** – What action or output do you want from the AI?

SBAR Prompt Example

S: I need help communicating with a client about an accounting standard.

B: The client is a construction company with multiple equipment leases. They're not familiar with ASC 842.

A: They may not understand how the new rule affects their balance sheet and financial disclosures.

R: Write a professional email that explains ASC 842 in simple terms and outlines the financial reporting impact for 2025.

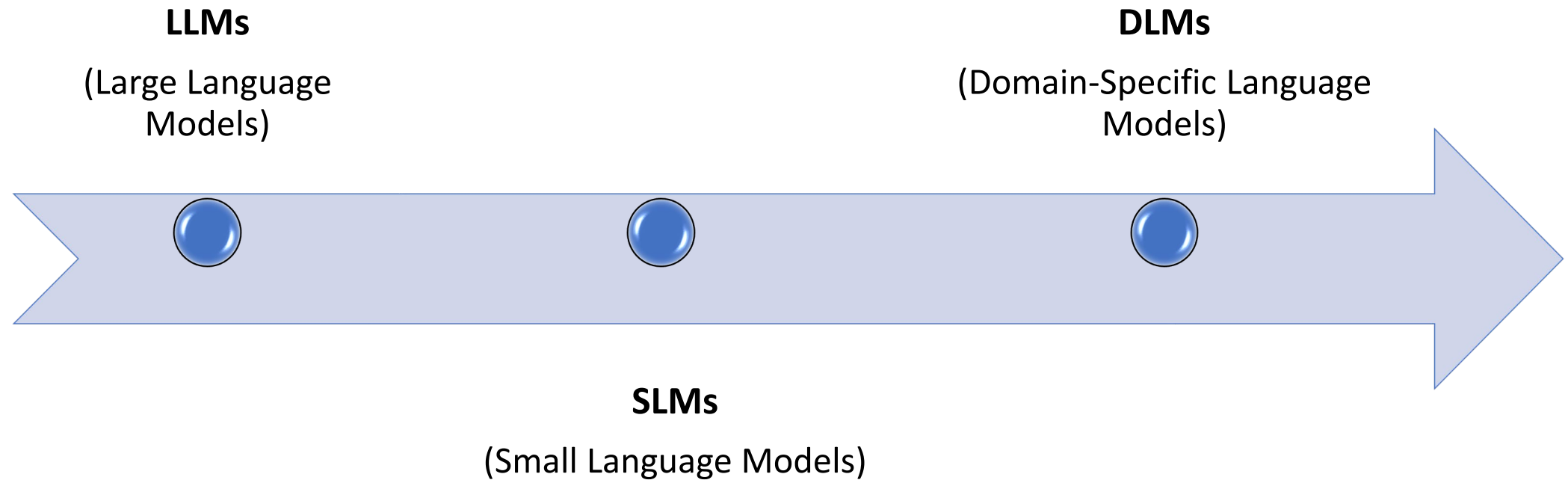


SBAR Prompt Example

PICKING YOUR AI TOOLS



Evolution of Generative AI Language Models



Popular Large Language Models

- [ChatGPT \(OpenAI\)](#)
- [Claude \(Anthropic\)](#)
- [Copilot \(Microsoft\)](#)
- [Grok \(xAI\)](#)
- [Gemini \(Google\)](#)
- [Llama \(Meta\)](#)

Domain Specific Language Models

- [TaxGPT](#)
- [Thomson Reuters CoCounsel](#)
- [Blue J](#)
- [Wolters Kluwer](#)
- [Caseware AiDA](#)

Factors to Consider

- ✓ Scope of potential applications
- ✓ Integration with existing apps / data sources
- ✓ Availability of AI in existing apps
- ✓ Budget allotment

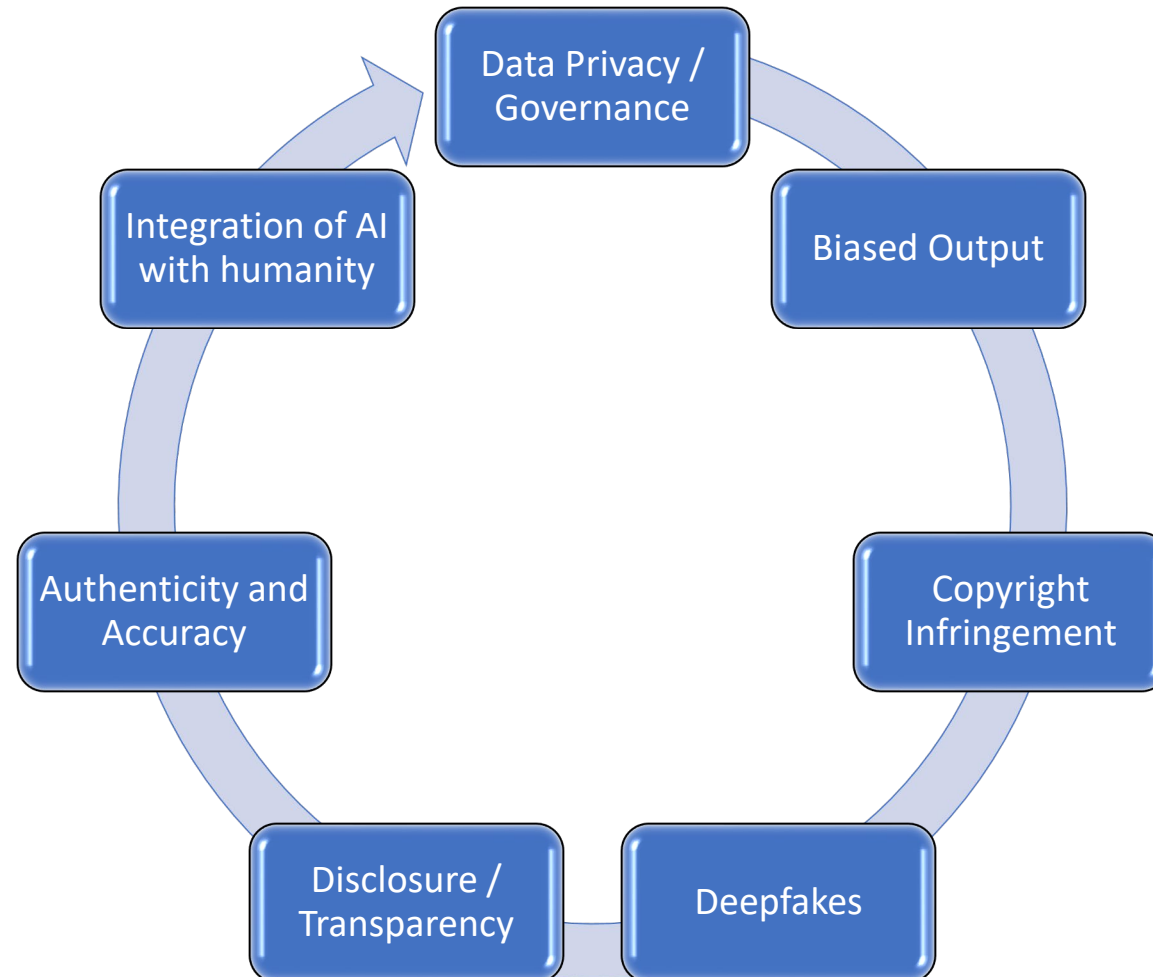
A WORD OF CAUTION



What's
wrong with
this
picture?



AI Ethical Risks



Data Privacy / Governance

Risk

- Prompt data, including RAG, may be passed over to the language model for training purposes
- User may unintentionally access company data for RAG due to weak data access controls

Mitigation

- Anonymize data by removing any entity or personal identifying information
- Audit internal data access controls to ensure users only have access to data they are authorized to access

Biased Output

Risk

- AI generated output may contain biases

Mitigation

- Scrutinize the output for objectivity and independence
- Include prompt data that specifically requests that any specific types of bias be prevented

Copyright Infringement

Risk

- AI generated output may have originated from copyright protected data

Mitigation

- Review the language model developer's policy regarding protections against this
- Investigate indemnification policy regarding copyright infringement litigation

Deepfakes

Risk

- AI generated content, including images, video and audio that convincingly depict real people doing or saying things they never did

Mitigation

- Educate your staff on this risk and how to identify a deep fake
- Establish a “zero-trust” mindset regarding online information
- Investigate deepfake detection tools

Disclosure / Transparency

Risk

- Potential to impair your professional integrity by presenting AI generated output as if it is your original work

Mitigation

- Rely on your core ethics
- Consider the AICPA Professional Code of Conduct guidelines on integrity
- Stay tuned to professional standard setters for developments in disclosure requirements

Authenticity / Accuracy

Risk

- AI generated content may be inaccurate, or illegitimate content.

Mitigation

- Use your professional knowledge and judgement to assess the veracity of all output.
- Obtain citations or links to source data to gain confidence in the output
- Use alternative process to validate facts and figures, relative to dependence on the information

Integration of AI & Humanity

Risk

- Over reliance on AI to replace professional judgement
- Employees feel threatened about job security
- Employees lack the skills to use AI effectively and feel left behind

Mitigation

- Provide employees with comprehensive AI education
- Communicate your company's AI strategy clearly and continuously to keep your staff informed
- Develop and communicate an effective AI usage policy

IDENTIFYING AI OPPORTUNITIES IN YOUR ORGANIZATION



Step 1 – Form a Team

- Establish an AI project team
- Include representation across the organization
- Invest in AI tool(s) and training for the team
- Set goals / objective / timeline for the team

Step 2 – Assess Business Processes

- Identify repetitive, document-heavy, or decision-driven tasks
- Interview process leaders to identify pain points and bottlenecks
- Map use cases to AI capabilities
 - Document drafting
 - Data summarization
 - Idea generation
 - Process automation

Step 3 – Evaluate Specific Initiatives

- Time savings
- Cost reduction
- Increased accuracy
- Data availability
- User adoption

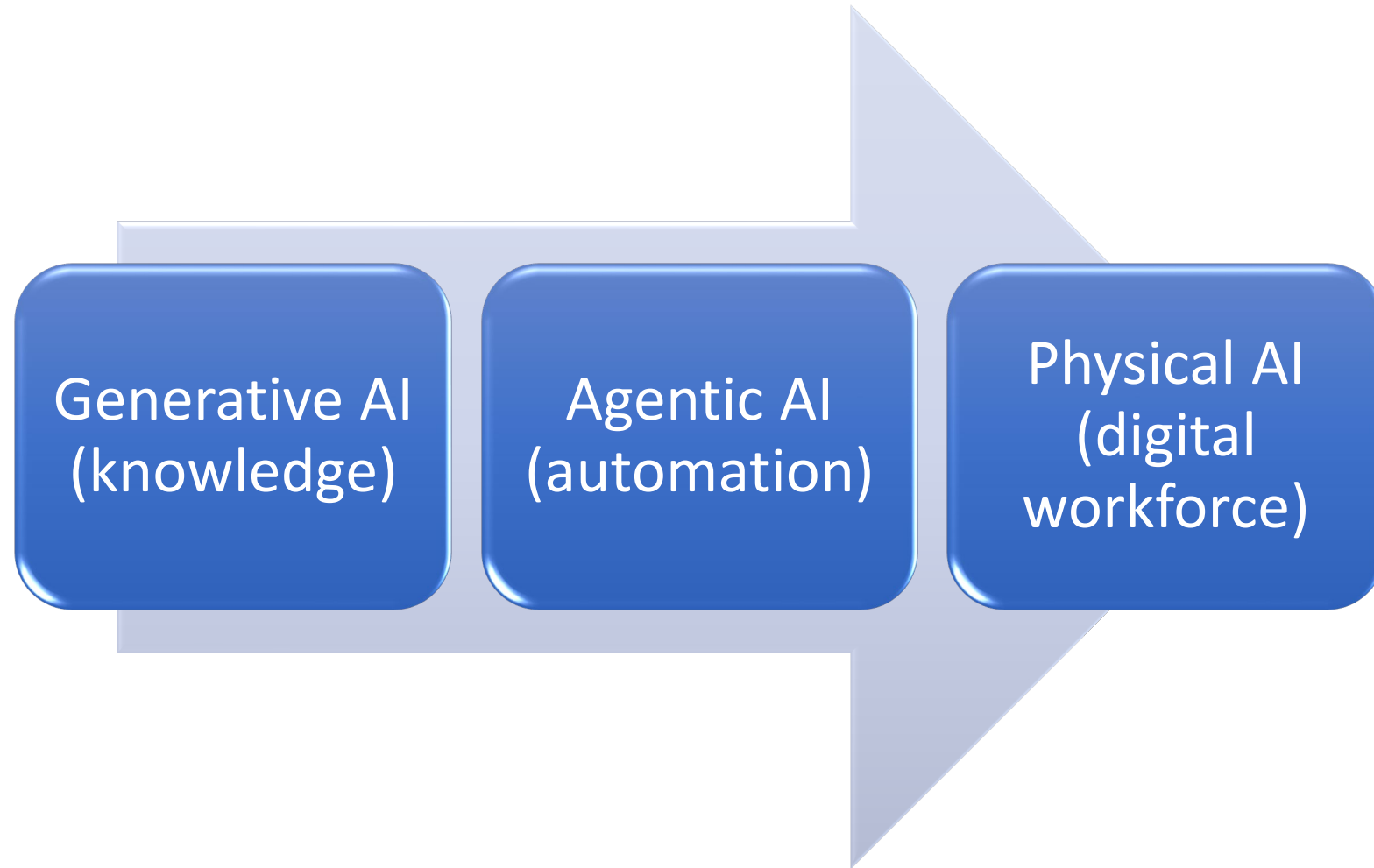
Step 4 – Get Started!

- Select and prioritize initiatives
- Procure AI tool(s)
- Obtain training
- Start with a pilot project
- Conduct ongoing assessment and evaluate

WHAT'S COMES NEXT FOR AI



AI Technology Evolution

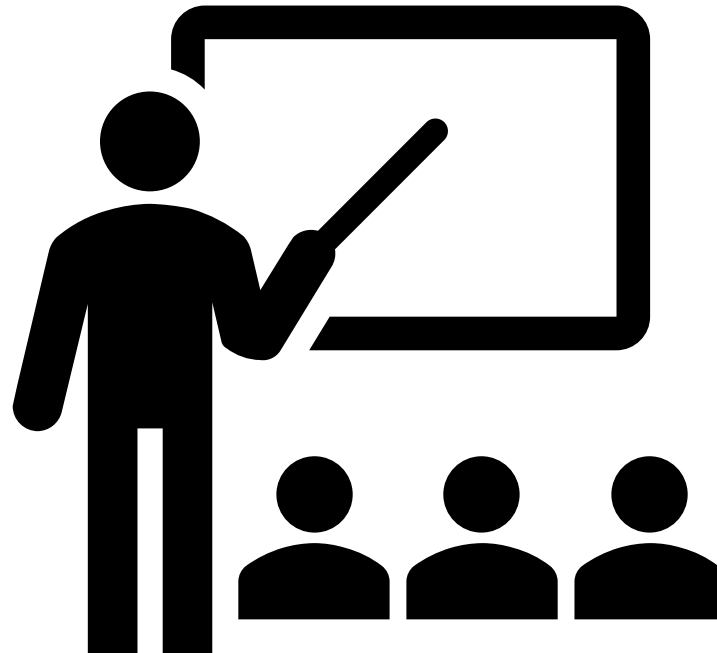


Microsoft and AI

I think the notion that business applications exist, that's probably where they'll all collapse, right in the agent era!

Satya Nadella, Chairman and CEO
Microsoft

WRAP-UP



In Summary

- AI is transforming our profession in real time
- There are abundant opportunities to leverage AI in every type of business
- You can accomplish a lot with limited investment and risk
- Don't sit on the sideline!

Questions ?



Thank you!!!

Let's connect on LinkedIn →

