



# Leveraging AI in public financial management

May 29, 2025 | WICPA School District Audit Conference

## Welcome and introduction



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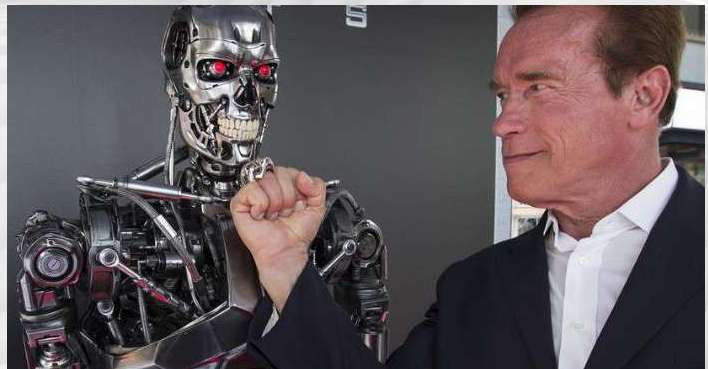
## Agenda

- AI essentials
- Applications for AI in the public sector and in public schools
- Benefits and impacts of AI
- Beginning to assess AI readiness

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## AI essentials



Movie star AI after Skynet invasion of 1992

**AI is really NOT this at all.**

## AI nomenclature



### Intelligent process automation

IPA is designed to assist human workers by performing tasks that were previously performed by humans

Includes:

- RPA
- DPA
- BPA
- AI



### Artificial intelligence

Ability of machines to perform tasks that typically require human intelligence:

- Learning
- Reasoning
- Problem-solving
- Perception
- Language understanding



### Machine learning

Algorithms with the ability to learn without being explicitly programmed:

- Supervised
- Unsupervised
- Reinforcement



### Deep learning

Neural networks automatically learn patterns and representations from large amounts of data.



### Generative AI

creates new content—such as text, images, audio or code—by learning patterns from existing data.

## AI quotes

**“AI is going to change everything, but it’s going to be a partnership between humans and AI, not a competition.”**

— Mark Cuban

**“The key to success with AI is not just having the right data, but also asking the right questions.”**

— Ginni Rometty

**“AI will not replace jobs, but it will change the nature of work.”**

— Kai-Fu Lee

**“AI will be the most transformative technology since electricity.”**

— Eric Schmidt

**“By far, the greatest danger of Artificial Intelligence is that people conclude too early that they understand it.”**

— Eliezer Yudkowsky

**“I’m sorry Dave, I can’t do that.”**

— HAL



# Applications for AI in the public sector and in public schools

## CASE STUDIES: AI IN THE PUBLIC SECTOR

### School districts are using AI to solve common problems

#### Automating tasks

- AI generates complex financial documents
- Analyzing Excel spreadsheets in real-time
- AI agents automating AP/AR, HR and other administrative workflows

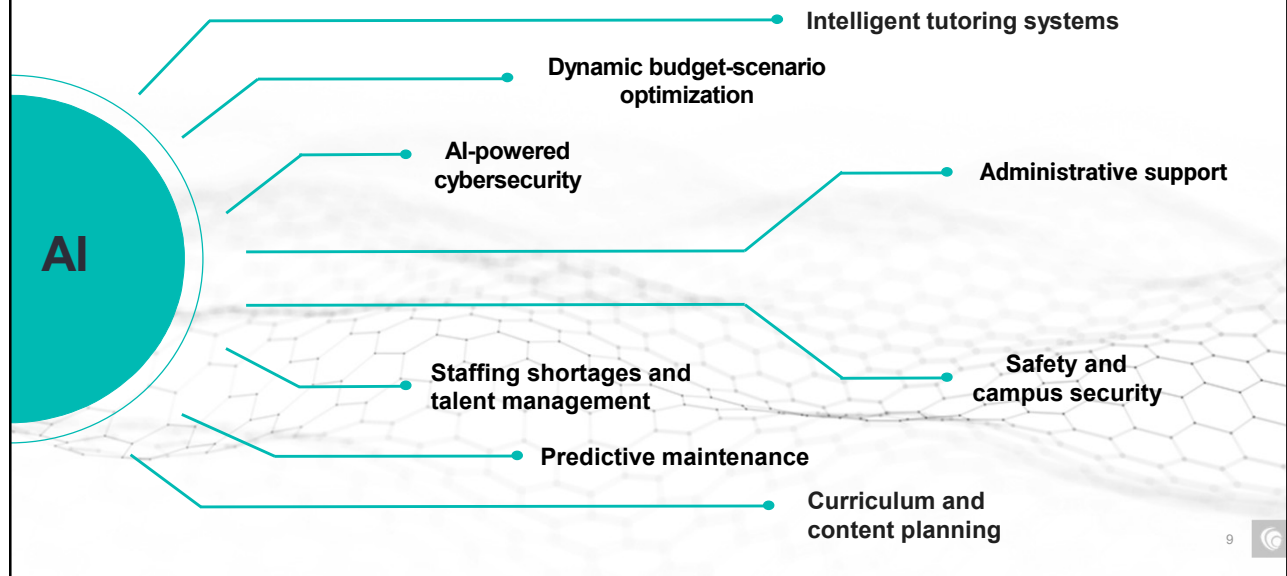
#### Making better decisions with data

- Predictive AI models spot student needs before problems escalate
- AI-based enrollment and revenue forecasting help leaders decide when to build schools or hire staff
- AI and analytics make budgeting data-driven. By plugging district and state financial data into predictive models, finance teams get instant forecasts.

#### Enhancing Student Services and Equity and Improving Instructional Support

- Districts are deploying AI-based “counselors” and tutors to support students anytime
- Generative AI bridges language and ability gaps. Districts use AI translators and generators to customize communication and content.
- Teachers are developing creative lesson plans with AI assistance
- AI-powered tutoring platforms tailor learning to each student
- Some districts piloting AI to grade and review student work faster

## Artificial intelligence use cases in public schools



## Benefits and impacts of AI

## CASE STUDY 1

**Fulton County Schools (FCS) is the fourth largest school system in Georgia with +10,900 employees, serving 87,000 students across 104 schools.**

**Summary:** Fulton County Schools adopted Microsoft 365 Copilot Chat to enhance student learning and reduce administrative tasks while promoting ethical AI usage and future career readiness.

- FCS formed an AI task force to evaluate +200 potential use cases for AI in education. After thorough evaluation, FCS decided to join a preview for students 13 and older for MS 365 Copilot Chat.
- FCS educators and administrators are also using Copilot Chat for lesson planning, student reports and action plans, as well as streamlining facility maintenance and capital planning.
  - For example, FCS fed facility condition assessments for its buildings into Copilot Chat. The tool helped staff create a prioritization list for the district's long-term capital plan. Copilot Chat condensed a process that typically takes nine to 11 months into only two or three days.

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## CASE STUDY 2

**A large public school district faced declining enrollment and increasing operational costs**

**Challenge:** A large public school district faced declining enrollment and increasing operational costs.

- **Strategy:** By adopting a comprehensive budget analysis tool that integrated real-time financial data and predictive analytics, the district identified redundant expenditures and reallocated resources to critical programs such as STEM education.
- **Outcome:** Within two fiscal years, the district reported an overall savings of 12% while still improving educational outcomes.

Source: Numbers Analytics – Smart Budget Analysis for Modern Education

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### CASE STUDY 3

## Mt. Lebanon, PA & Spanish Fork, UT using AI-enabled platform to electronically process invoices

**Summary:** AI-enabled automation is streamlining financial processes in Mt. Lebanon, PA, and Spanish Fork, UT. Mt. Lebanon began using the Stampi platform in April 2022 for invoice coding and electronic processing.

- **Benefits and efficiency gains:** Invoice processing time reduced from a week or longer to just 1-2 days; Spanish Fork tasks from 12 to 1 hour
- **Implementation process:** Implementation started at the approval level to set expectations and clarify roles
- **AI regulation and policy:** Current use of AI in Mt. Lebanon is not for decision-making or full automation
- **Considerations for other municipalities:** Understanding existing enterprise resource planning (ERP) software is crucial when selecting new tools. Not all processes require automation; human insight remains valuable.

Source: *AI-Enabled Automation Streamlines Local Government Finance*, *AI-Enabled Automation Streamlines Local Government Finance*. November 8, 2023.

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### CASE STUDY 4

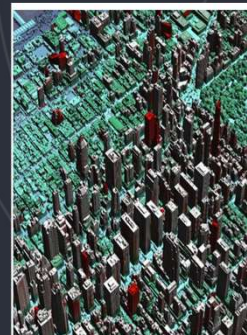
## New York City AI action plan

**Summary:** First of its kind for a major U.S. city, outlines seven key initiatives to responsibly harness AI for public benefit while mitigating potential risks. Through these initiatives, NYC aims to improve government services, operational efficiency and social equity while addressing concerns such as transparency, accountability and potential biases in AI technologies.

#### 7-step initiative includes:

1. Developing a robust governance framework
2. Build external relationships
3. Foster public engagement
4. Build AI knowledge and skills in city government
5. Support AI implementation
6. Enable responsible AI acquisition
7. Ensure ongoing updates and progress reporting

Source: *The New York City Artificial Intelligence Action Plan*, [artificial-intelligence-action-plan.pdf](#)



3D LiDAR-derived image of midtown Manhattan. This image shows change detection of new buildings highlighted in red, using 2010 and 2014 nDSM LiDAR data. Detected changes were used in a Department of Finance pilot program to identify property assessment changes.

Source: NYC Department of Finance

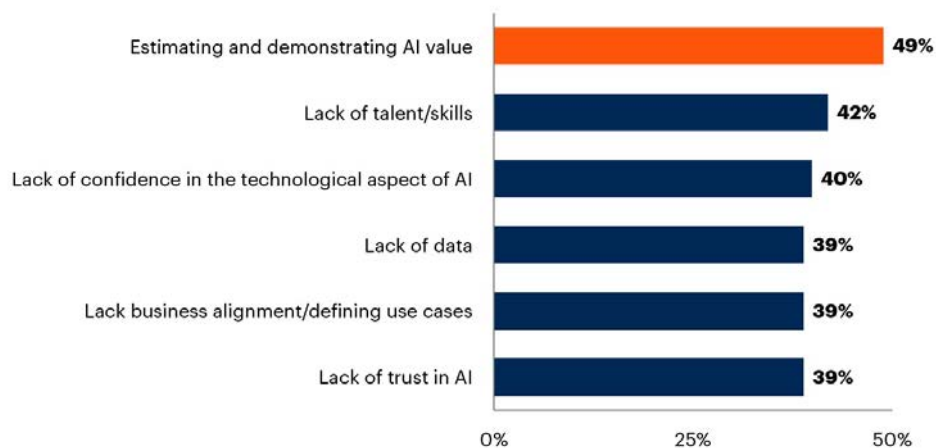
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# Beginning to assess AI readiness

## Top barriers to implementing AI techniques

Sum of top three ranks



n = 632, leaders highly involved in AI; excludes "unsure"

Q. What are or will be the top 3 barriers to the implementation of AI techniques within your organization?

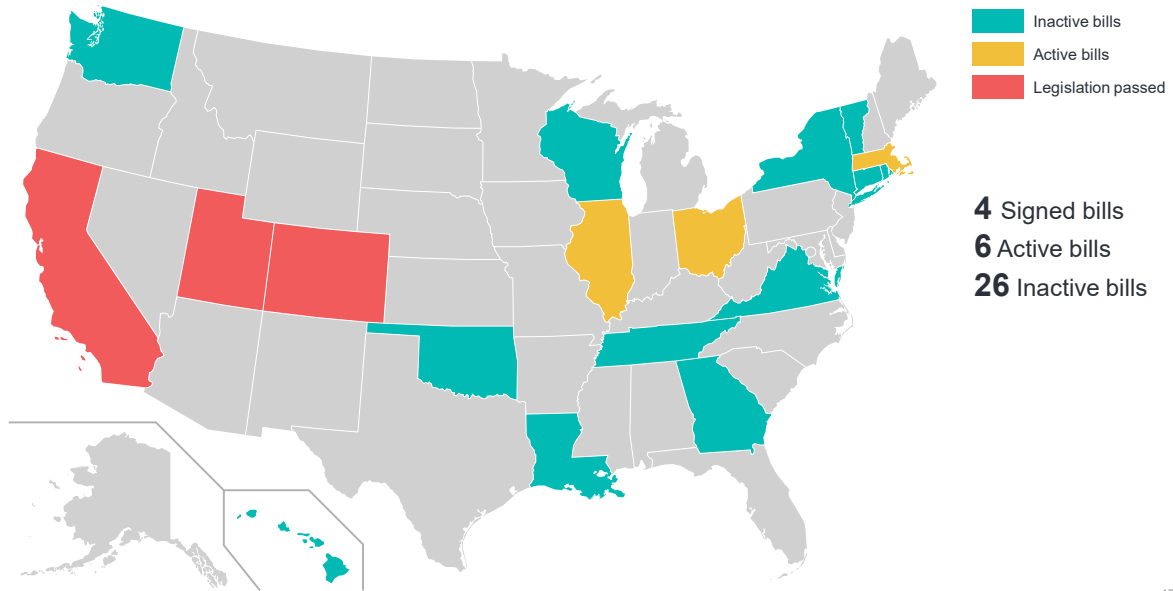
Source: 2023 Gartner AI in the Enterprise Survey

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## AI regulation is expanding



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### AI READINESS

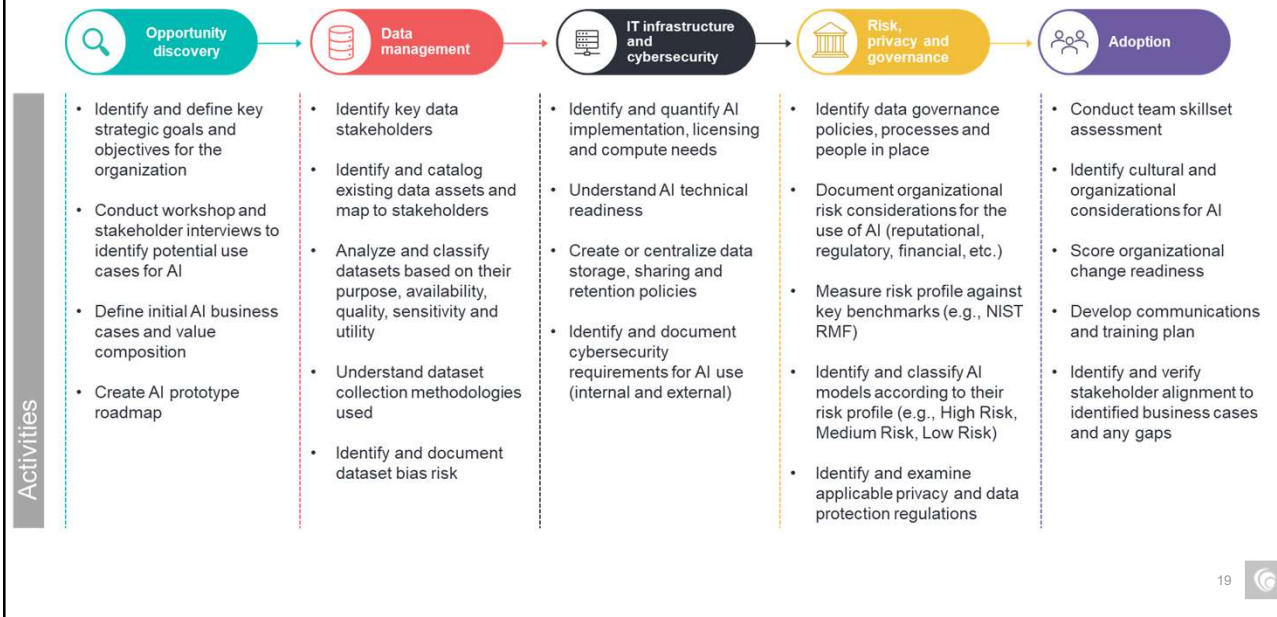
## 5 dimensions of AI readiness



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## Getting started: AI readiness assessment



### AI READINESS

## Key questions to consider

- Do you possess the necessary financial resources for AI?
- Is there support from leadership for the AI initiative?
- Are there specific needs that AI can effectively address?
- Do you have an IT department capable of managing AI technologies?
- Are your staff/faculty members prepared and willing to implement AI in your organization?
- Is there appropriate governance and cybersecurity established?



## Calls to action

- What are your organization's needs for AI? Make an AI readiness plan
- Pick clear specific targets for AI to solve and get an AI platform
- Begin pilot programs and pick point person or group
- Refine your AI's use/plan/functions and scale up
- Remember to check with legal and compliance
- Establish AI governance policy framework
  - e.g., City of Kirkland, WA: [Generative AI Use Policy – Kirkland \(2024\)](#)

Source: Harvard Business Review: *How U.S. Cities Are Using AI to Solve Common Problems*, Bitton, Mathis, Haas, Elizabeth and Hirshberg, Peter, *How U.S. Cities Are Using AI to Solve Common Problems*, December 3, 2024.

## Questions? Stay in touch



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