



About 7Rivers 7Rivers Image: Construction of the state of the state

What is Generative AI? A New Era of Intelligence

Generative AI Defined

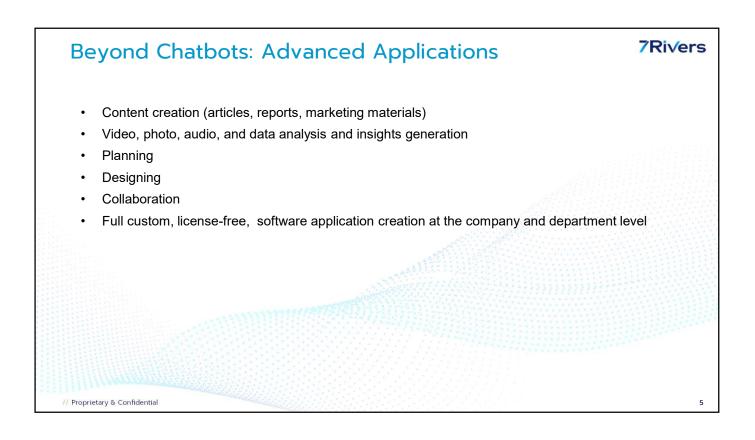
 Generative AI creates new content (e.g., text, images, or data insights) by learning from vast datasets, enabling it to generate original outputs.

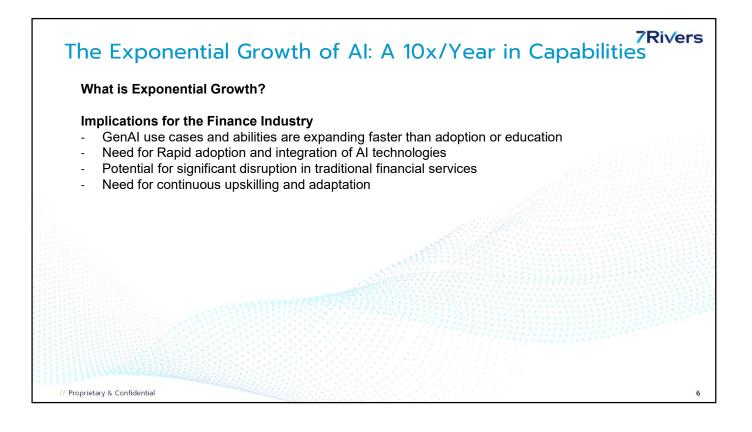
How It Works - Deep Learning Models

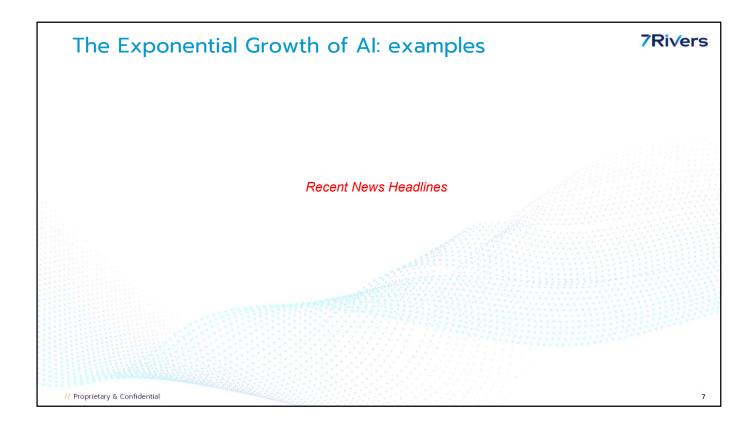
- Based on deep learning, a type of AI that uses neural networks structured like the human brain to analyze complex patterns in data.
- These models process vast amounts of information and "learn" from the data, enabling them to generate new, contextually accurate outputs.

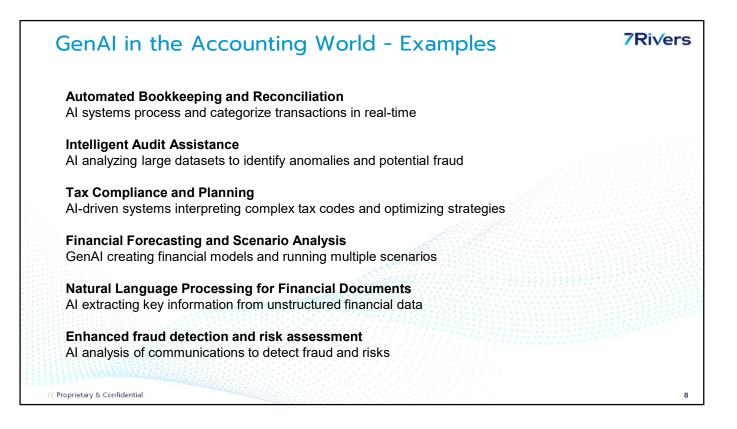
Generative AI vs. Traditional Machine Learning

- Traditional ML: Learns patterns to make predictions or classifications (e.g., predicting trends).
- Generative AI: Creates new content (e.g., automated financial reports, personalized communications) based on learned data patterns.









GenAl for CPAs: A Practical Overview

Benefits

- · Increased efficiency and productivity
- Enhanced accuracy and consistency
- Tailored to your company and department
- More time for high-value strategic tasks

Challenges

- Need for upskilling and adaptation
- Ensuring data privacy and security
- Maintaining human judgment and oversight

Impact on CPA Roles

- Shift towards higher-value advisory services
- Increased focus on data interpretation and strategic decision-making
- Need for AI literacy and ethical AI management skills

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Ethical Challenges of GenAI: Bias

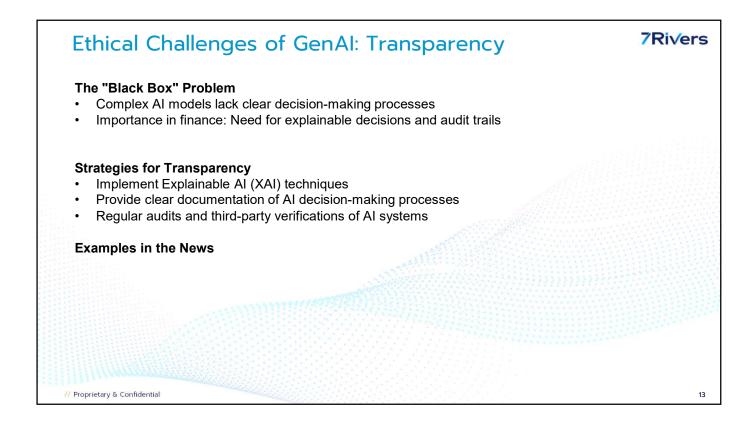
Types of Bias

- Statistical: Errors in the data or model
- · Social: Reflecting societal prejudices
- Cognitive: Human biases in AI development
- Gender: Bias in AI-Powered Hiring Tools AI systems favoring male candidates for finance positions based on historical data

Cultural Bias in Global Finance

- AI models trained on predominantly Western data may misinterpret practices in emerging markets
- Example: Misclassification of legitimate transactions as suspicious due to unfamiliarity with local financial practices

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Ethical Challenges of GenAl: Trust

Building Trust in Al-Powered Financial Systems

Essential for adoption and regulatory compliance

Challenges

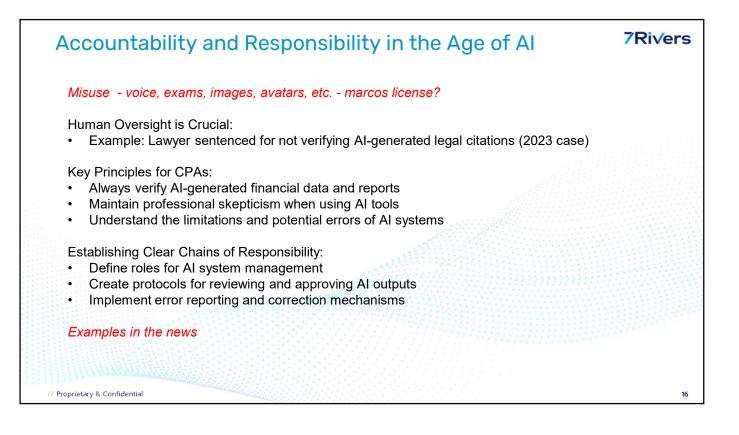
- Data privacy concerns
- Potential for Al-generated misinformation in financial reports
- Overreliance on AI recommendations

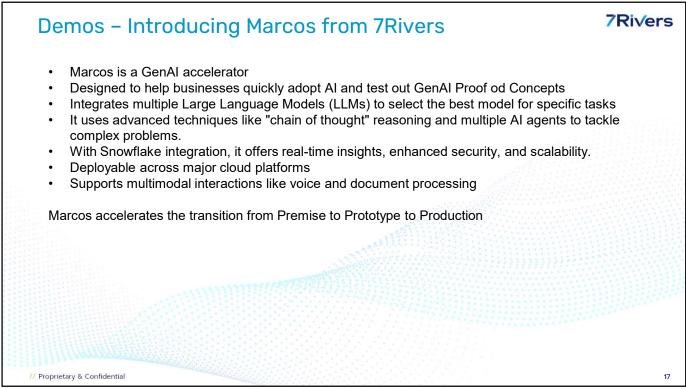
Trust-Building Measures

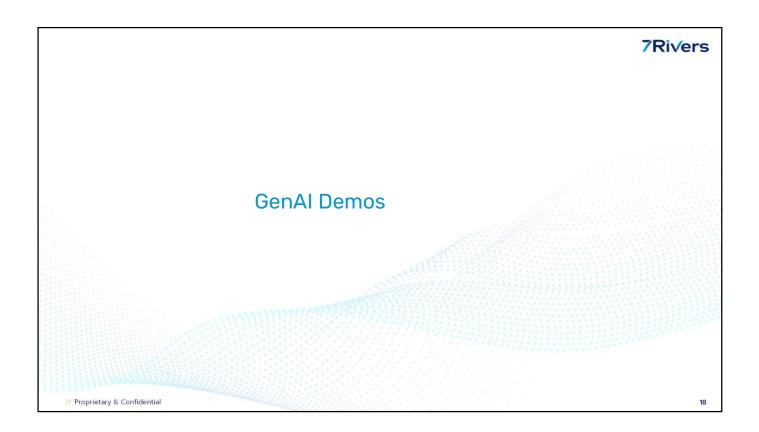
- Regular system audits and certifications
- Clear communication of AI's role and limitations
- Human-in-the-loop processes for critical decisions
- Robust data governance and privacy protection measures

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Ethical Challenges of GenAI: Mitigation Strategies	7Ri√ers
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Next Steps for Your Organization	7Ri√ers
Find a GenAl Application to start learning and testing Leverage 7Rivers' Marcos GenAl Accelerator to get a POC up and running quickly	
Establish an Al Ethics Committee Include diverse perspectives: technical, legal, ethical, and domain experts	
Define Core Ethical Principles Examples: Fairness, transparency, accountability, privacy, and human-centricity	
 Develop Specific Guidelines for Al Use in Finance Bias detection and mitigation procedures, transparency requirements 	
 Implement Ongoing Monitoring and Auditing Processes Regular ethics assessments of AI systems 	
 Foster a Culture of Ethical Al Use Continuous education on Al ethics and evolving regulations for staff Stay informed about evolving regulations and best practices Encourage open discussion 	
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