Building a Finance Function Ready for AI

Systems, data and controls before automation.

A practical diagnostic for CEOs, CFOs and investors before automating reporting, reconciliations, forecasting or board packs.

Luen Tho FCA

CFO & Modern Finance Builder

Finance and operations architecture: systems, data, controls, automation and AI-enabled decision support.

Former SaaS CFO · Led £5m Series A ·
Restructured c.£10m convertible debt · ex-HSBC and PwC

The Finance AI Readiness Stack

Effective AI starts with a well-run finance function: one that controls each layer before automating the next.

THE STACK

BUILD IN THIS ORDER

01 SOURCE SYSTEMS
ERP · CRM · billing · payroll · banking
Human review: ownership · access · data hygiene

02 TRUSTED DATA & KPI LAYER
Mapped data · reconciled definitions · KPI logic
Human review: metric owners · validation · sign-off

03 WORKFLOWS & CONTROLS
Close calendar · approval flows · audit trail
Human review: approvals · exceptions · control points

04 REPORTING & RECONCILIATIONS
Automated packs · reconciliations · exception handling
Human review: exceptions · adjustments · unusual movements

05 FORECASTING & PLANNING
Driver-based forecasts · cash scenarios · variance analysis
Human review: assumption review · CFO sign-off

06 BOARD & DECISION SUPPORT
AI-assisted packs · commentary · scenarios · insight
Human review: CFO / CEO judgement · final approval

THE 6-QUESTION READINESS CHECK

1	Who owns every finance source system?	Y	N
2	Are core KPI definitions agreed and used consistently?	Y	N
3	Does close run to a fixed calendar with approval points?	Y	N
4	Are reconciliations reviewed before board packs?	Y	N
5	Are forecast assumptions documented and owned?	Y	N
6	Can each board-pack number be traced and explained?	Y	N

READINESS INTERPRETATION

Any "No" in layers 1–3
Fix foundations before automating anything downstream.

Layers 1–3 secure; gaps in 4–5
Start with controlled reporting or reconciliation pilots.

Layers 1–5 secure and board outputs explainable
Explore AI-assisted decision support.

Most Finance Functions Try To Automate Top-Down. It Rarely Works.

If you start by automating the board pack, you work backwards into unreliable data. The sequence below shows where that breaks, and the route that holds up.

THE PRACTICAL SEQUENCE

✗ THE WRONG WAY

Starting at the output layer

- AI board pack
- ▼
- Untrusted KPIs
- ▼
- Spreadsheet workarounds
- ▼
- Manual reconciliation chaos

VS

✓ THE RIGHT WAY

Building from the foundations up

- Map source systems
- ▼
- Define trusted data and KPIs
- ▼
- Embed controls and review points
- ▼
- Automate reporting and reconciliations
- ▼
- Automate forecasting and planning
- ▼
- Introduce AI-assisted board support

Same destination. One route is controlled, explainable and auditable.

Build for optionality, not a single tool

AI tools and agents will keep evolving. Put the right systems, data, controls and architecture in place now so finance can adopt the tools that offer the strongest fit and business case, without rebuilding the function each time.

The durable investment is the architecture, not any single tool.

HUMAN-IN-THE-LOOP CONTROL GATES

The more material the output, the more senior the approval.

Data extract → **Automated processing** → **Exception flagging** → **Finance owner review** → **CFO / delegated approval** → **Board / management output**

WHERE THIS BECOMES A PLAN

A 90-DAY PRACTICAL ROADMAP

DAYS 1–30

MAP

Systems, data flows, KPI definitions and manual workarounds.

DAYS 31–60

FIX

Ownership, reconciliations, controls and review points.

DAYS 61–90

PILOT & TEST

Pilot selected workflows, test exceptions and embed review gates before scaling.

Why this rarely fits within BAU finance capacity

Most finance teams know where the friction is. The issue is capacity, cross-functional complexity and the risk of automating weak processes too quickly.

WHY IT IS HARD ALONGSIDE BAU

- Month-end, board reporting, audit and investor requests consume senior capacity
- Source-system issues cut across finance, sales, product, HR and payroll
- The team knows the workarounds but lacks time to redesign the process
- Tool experiments multiply without a coherent operating model
- Automating a broken workflow makes errors faster, not better

WHAT DEDICATED TRANSFORMATION CAPACITY ADDS

- Diagnose the stack from source systems upward
- Work with the finance team, not around them
- Map systems, data flows, KPI ownership and workarounds
- Redesign reporting, reconciliation and forecasting workflows
- Build review and approval gates into each stage
- Test controlled automation before scaling

FROM DIAGNOSIS TO CONTROLLED AUTOMATION

Diagnose
Systems, data, KPIs, workarounds

→

Design
Workflows, controls, ownership

→

Implement
Reporting and forecasting automation

→

Test
Exceptions, audit trail, approvals

→

Scale
Board packs, scenarios, decision support

Luen Tho FCA helps CFOs and CEOs modernise finance and operations through systems, data, controls, automation and AI-enabled decision support.

BOOK A 20-MINUTE AI-READINESS CALL

A structured walk through your finance stack, layer by layer. You leave knowing the likely gaps and the safest place to start.

luen@luentho.co.uk · luentho.co.uk · linkedin.com/in/luentho