OpenGov

Embracing AI in the Budget & Finance Office

Leveraging technology to help you leave the office on time

Today's Speaker

Monica Cook

VP, Customer Solutions
OpenGov

OpenGov

Agenda

01 Introduction/State of AI

02 What is AI?

03 How you can use AI in the Finance Office

04 AI Use Case Examples for Internal and External Scenarios

05 How to Avoid AI Pitfalls

06 Prompt Best Practices for Getting the Best Results

07 The Future of AI

08 Q+A

OpenGov

How did we get here?

2017

- The Economist declares data as the world's most valuable resource, surpassing oil

2023

- State of the CIO report: 26% of IT leaders say machine learning and AI will drive the most IT investments
- While actions driven by ML algorightims give organizations a competitive advantage, mistakes can be costly
- Financial services industry invests $35 billion in AI

2024

- MIT Study: When users prompt and engage with AI tools directly—rather than passively consuming outputs—they experience increased cognitive activity.
- Stanford Survey: 1 in 4 public employees now use AI for work-related tasks, with finance and administrative professionals leading adoption for routine analysis, memo writing, and summarization.

OpenGov

State of AI today

2025

- 78% of organizations use AI
- 80%-plus enterprise finance teams are expected to use some form of AI-driven automation or decision intelligence by 2026
- AI budgets are significantly increasing: machine learning, natural language processing and robotic process automation
- GFOA Perspective: Concerned that over-reliance on AI could result in future finance leaders losing the ability to create original insights. AI must not become a crutch—it must serve as a prompt for deeper thinking.

OpenGov

Poll #1

How much is your organization currently using AI?

1. Not much

2. Individuals are using it but the use isn't organized or part of a larger plan

3. Departments are using it but the use is just for a few very specific purposes

4. Departments are using it in an organized, strategic manner

5. Our entire organization is using it in an organized, strategic manner

OpenGov

The Do's and Don'ts of Using AI in the Public Sector

" *AI has the potential to revolutionize the way the public sector operates, serves its missions, and supports its citizens.*

–Karen Dahut, CEO of Google Public Sector

OpenGov

What AI Actually Is (And Isn't)

Demystifying AI for Public Servants

AI is not a product. It's a capability embedded in how work gets done. The most important thing to know is: you're in control.

- **Machine Learning (ML):** Detects trends and flags outliers. Use it to spot fraud or validate vendor invoices.
- **Predictive AI:** Projects budget trajectories, revenue streams, and capital investment risks.
- **Generative AI:** Drafts first-pass content. Think: council memos, citizen notifications, or budget narratives.
- **Agentic AI:** Goes from prompt to process. Route an invoice. Launch a work order. Respond to a routine request.

OpenGov

How can you use AI in the Finance Office?

Copywriting

Data Analysis

Brainstorming & Ideation

Productivity Hacks

As a search engine

OpenGov

Sample Use Cases (external)

1. Budget vs Actual Variance analysis

2. RFP building for repetitive projects

3. Budget initiative narratives for public consumption

4. Assist with creating visualizations of complex financial data for external use

5. Comparative analytics of provided data (i.e. compare to benchmarks)

6. Support self-service FOIA requests

7. Chatbots for constituent Q&A

OpenGov

Sample Use Cases (internal)

1. Email responses

2. Draft checklists (audit prep, month–end close, purchasing compliance)

3. Financial analysis – Excel tools (formulas, pivot tables, macros)

4. Presentation preparation – developing graphs/visualizations

OpenGov

Poll #2

How would you describe your feelings about the use of AI in the public sector?

1. Worried

2. Excited

3. Cautiously optimistic

4. This is the end of humanity as we know it

5. A mix of all of these

OpenGov

How to Avoid AI Pitfalls

1. **Data Hallucinations**

   a. Certain generative AI systems like ChatGPT can generate information that seems plausible, but is not based on real data.

2. **Privacy Concerns**

   a. If you're using a free AI account, all the data you provide belongs to the company that made the tool you're using.

OpenGov

Avoiding AI Hallucinations

AI Can Sound Confident—But Still Be Wrong.

Be sure to always:

- **Validate** sources (ask "what is this based on?")
- **Never assume data accuracy** without human verification
- Use sandboxed tools with clear **audit trails**
- Make human review a **requirement**—not a step

AI Created for the Public Sector

Keep your Data Safe	**Be able to Verify Results**	**Opt in to Faster Workflows**
Pick systems that don't add your data to public models.	Be able to document the sources of your outputs so that you can verify important outputs.	Use AI when you want, but don't be forced into using it if you don't want to.

OpenGov

Checklist for AI Projects

1. Data security risks

2. Personnel risks

3. Operational risks

4. Reputational risks

5. Legal and intellectual property risks

6. Financial risks

7. Competition risks

OpenGov

Prompt Best Practices for Getting the Best Results

Use the RELIC formula to guide your prompt writing

R-Role → You are an assistant city manager with 20-plus years of experience

E-Exclusion → Do not include

L-Length → Keep your writing between 300–400 words

I-Inspiration → Use this article as a reference for style, tone and voice:

[LINK] (or [PASTE TEXT] if not using GTP4 with Bing).

C-Context → You work for the City of X and you've been tasked with creating a plan for multicultural day

OpenGov

Prompting Principles for Public Servants

Better Prompts. Stronger Outputs. Smarter Review.

- **Be Specific**
  - Vague input = vague output. Include details like timeframe, data source, or document type.
    - Instead of: "Summarize this report"
    - Try: "Summarize Q3 budget variance for Public Works—focus on deviations over 10%."
- **Define Format & Tone**
  - Ask for bulleted lists, tables, summaries—or tone that matches the audience (e.g., formal for council, friendly for residents).
- **Set Constraints**
  - Word count, output length, character limit—these reduce risk of fluff or hallucinated detail.
- **Provide Context**
  - Refer to a policy, dataset, or previous message. Grounding the prompt anchors the response.

OpenGov

Poll #3

Does your organization have an AI policy in place?

1. Yes

2. No

3. We're currently developing one

4. We don't plan to make one

5. We have to put the use of AI on hold while we create one

OpenGov

Looking Forward

1. When you think about the future of AI in the public sector, do you think we'll see local governments building their own tools or leaning on private partners?

1. What will these partnerships look like?

1. How will local governments be able to vet companies responsible for use of AI?

How to Think About AI Adoption

AI Is a Tool—You Choose How to Use It

AI adoption requires intentional governance. This isn't about jumping in—it's about building safety nets. Human-in-the-loop is essential. No public sector AI system should operate without final human validation.

- For CFOs and finance leaders, AI is about internal control, fraud detection, and precision in reporting.
- From CFO 1.0 (scorekeeper) to CFO 3.0 (strategist), we are witnessing the emergence of a new leadership model—powered by intelligent assistants.

OpenGov

OpenGov Public Service Platform: Simplified Help & Search Access
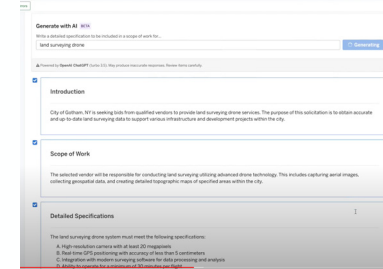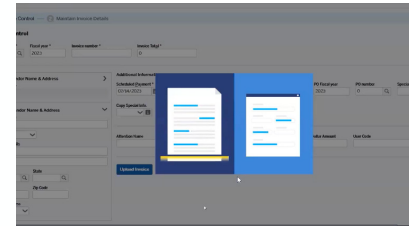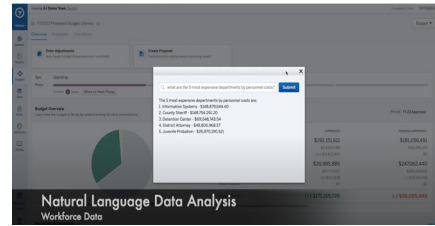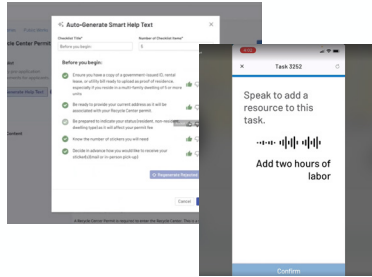
Introduce advanced search and help capabilities across all suites:

- **Search**: AI-assisted search to help users find what they need quickly
- **Integrated resource center**: Chat and support helps users right from the suites
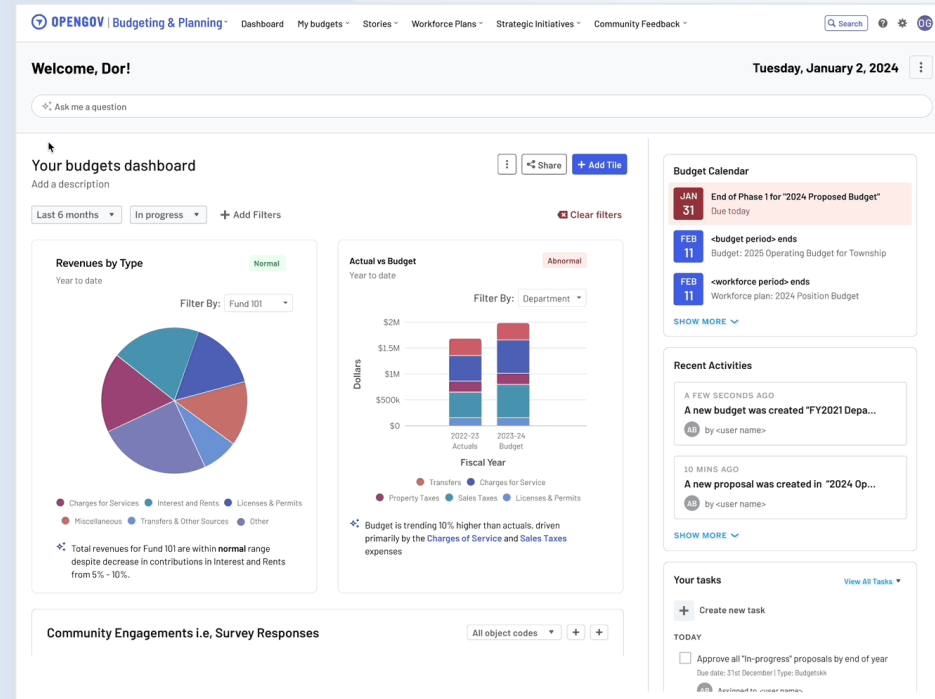
AI Product Evolution

Permitting & EAM: Dynamic applicant guide (PLC), Field Worker voice assistant (EAM), Asset and Task search and navigation (EAM), NLP search and filters (EAM)

Budgeting & Performance: Global Search and Intelligent Assistant, Auto generation of stories and budget books, Auto–Narratives from tables, charts and graphs, Synthesis of Community Feedback

Financials: Smartscan for Invoice Entry and Validation (H1), Application Navigation (H1), NLP for Flexible Inquiries (H1)

Procurement: Automatic categorization of goods and services, Automated supplier discovery, Auto Generation of Purchasing Specifications and Statements of Work

OpenGov

Questions?

OpenGov

opengov.ai

Thank you
Monica Cook
mcook@opengov.com