AI in Corporate Finance and FP&A

Interview preparation summary · FP track

INT.XF.1.a · AI in Corporate Finance and FP&A

Use an AI assistant to summarise results announcements, contracts, market reports and management papers and to draft a first view, then verify figures, sources, dates, units and caveats and keep confidential company data out of public tools.

Finance teams read a great deal: competitor results, supplier letters, contract terms, market reports, budget submissions. An AI assistant can produce a first summary in seconds, but the text is fluent whether or not it is right. It can swap two years, take a segment growth rate as the group rate, mix up thousands and millions, drop the condition attached to a forecast, or invent a citation or a quotation. So treat the summary as a draft that points you to the source. Ask where each figure came from and check it against the document, recompute any growth rate or margin yourself, check dates and units, and ask the assistant to list the conditions, assumptions and risks, and what the document does not cover. A tidy summary can be incomplete without looking so. Never paste unpublished budgets, customer or supplier terms, personal data or deal information into a public tool; use only tools your firm has approved, and if unsure, ask. The usual mistake is trusting the polish.

WORKED EXAMPLE: TARNMOOR COMPONENTS: CHECKING AN AI SUMMARY OF A COMPETITOR ANNOUNCEMENT

You ask a firm-approved AI assistant to summarise the results announcement of Tarnmoor Components, an invented competitor, for your monthly market note. Its summary says: revenue grew 8.5% to 184.2m, operating profit improved to 22.1m, and management confirmed a 12% operating margin target. The announcement shows group revenue of 184.2m against 172.9m last year, Europe division revenue of 96.0m against 88.5m, operating profit of 21.5m against 22.1m last year, and a margin target of 12% 'provided the largest customer renews its contract in the third quarter'. Which parts of the summary can you use?

Answer: Use the revenue of 184.2m only. Group growth is 6.5% (8.5% is Europe), operating profit fell 2.7% to 21.5m, and the 12% margin target is conditional on a customer renewal that the summary left out.

> **Interview tip:** Say: I use the assistant to get to the document faster, then I check every figure and date against it, recompute the growth rates myself, and ask it what the document leaves out.

INT.XF.1.b · AI in Corporate Finance and FP&A

Use AI to review and build analysis, formulas and forecasts, testing every output on known cases, recomputing figures independently, reconciling to the source and recording what was AI-assisted.

AI can help review a model, suggest an Excel formula or a short macro, propose drivers for a forecast and challenge an assumption. It is not a calculator. A language model produces text that looks like an answer, so it can give a result with the right shape and the wrong number, and then explain it confidently. The defences are simple. Recompute key figures independently, outside the tool. Test any generated formula on a small case where you know the answer by hand, plus edge cases such as blanks, zero bases, negatives and part periods. Reconcile outputs to the ledger or source file, including totals and record counts. Common slips are averaging percentages instead of weighting them, applying a variance to the wrong units, mixing monthly and annual figures, and adding growth rates instead of compounding them. Be wary of a neat story that fits a handful of data points. Use the assistant to generate challenges and alternative explanations, then test them. Record what was AI-assisted, how it was tested and who reviewed it.

WORKED EXAMPLE: PELLHAM TOOLS: AN AI BLENDED MARGIN THAT DOES NOT ADD UP

Pellham Tools is an invented maker with three product lines. Revenue and gross margin are: Drills 50.0m at 40%, Saws 30.0m at 25%, Sanders 20.0m at 10%. You ask an approved AI assistant for the blended gross margin. It says 25.0% and gives the formula =AVERAGE(C2:C4). Is it right, and what do you do?

Answer: The blended margin is 29.5%, not 25.0%. The assistant averaged the three margins without weighting by revenue, understating gross profit by 4.5m.

> **Interview tip:** Say: I do not accept an AI figure until I have rebuilt it myself. Here I found it had averaged margins without weighting, so I fixed the formula, tested it on a case I could do by hand, and noted it in the file.

INT.XF.1.c · AI in Corporate Finance and FP&A

Use AI to draft commentary, emails and notes in the team's house style, then own them: check accuracy and tone, keep the recommendation your own, keep an audit trail and be honest about AI use.

Drafting is where AI saves most time and where its fluency is most dangerous. An assistant can turn bullet points into variance commentary, tidy an email to a budget holder or suggest a structure for a business-partner note in your team's house style. But it does not know why the numbers moved. It may invent a cause such as strong demand, soften an adverse result, or write with more confidence than the evidence supports. The structure, the judgement and the recommendation must come from you. Check every number against your workings, remove any explanation you cannot support, make sure the message matches what the numbers show, and edit the tone for the reader. Keep prompts free of confidential data, save the prompt and the version you used where your policy requires, and say plainly to your manager what was AI-assisted. In an interview, describe a specific task, how you checked it and where you did not trust it. Do not delegate sensitive judgements, such as a recommendation affecting colleagues. The usual mistake is sending polished text you have not verified.

WORKED EXAMPLE: OAKFIELD STATIONERY: EDITING AN AI-DRAFTED VARIANCE COMMENT

Oakfield Stationery is an invented company. Monthly budget was 500,000 units at 50.00, revenue 25.00m, with gross profit of 9.50m (38.0%). Actual was 548,000 units at 47.50, with gross profit of 9.15m. An approved assistant drafted: Revenue was 4.1% ahead of budget, driven by strong customer demand. Gross margin was broadly in line with budget. Edit it.

Answer: The draft's 4.1% is right, but the cause is unsupported and the margin claim is wrong: price cost 1.37m, margin fell from 38.0% to 35.2% and gross profit is 0.35m below budget.

> **Interview tip:** Say: the assistant gave me a good first draft, but the story has to come from the numbers. I checked each claim, took out a cause I could not support and told my manager the draft was AI-assisted.

Summary of the Charta interview-preparation topic. Companies and figures in the examples are invented. Draft content, not yet expert reviewed.