



# K2's Microsoft Copilot *Uses And Functions For Executives*



## Roadmap We Recommend



- Set a strategy and create a policy
- Never put client PII into AI engines
- Adopt Copilot 365 for indemnification and protection
- Build a prompt generation standard for the firm's productivity
- Select tools that include AI after confirming SOC, SSO, and sub processor relationships
- Build client offerings optimized with AI

## Practical AI Activities



- Look for evolutionary, not revolutionary, change
  - Filter email
  - Build client responses with generic examples
  - Create customized marketing & social posts from firm-specific content
  - Create presentation deliverables
- Adopt tools that have AI built-in



## LET'S START IN DEMO MODE

## What About Randy?



- 40+ years of technology experience, top-rated speaker for almost 40 years
- Top 25 Thought Leaders in Accounting 2011-2024
- 2004-2023 Accounting Today 100 Most Influential in Accounting for twenty years
- Inducted Accounting Hall of Fame, Feb 2011
- Monthly columns on technology in CPAPractice Advisor, weekly podcasts on technology
- Published author of six books, From Hutchinson, KS
- [randy@k2e.com](mailto:randy@k2e.com) or [randyj@nmgi.com](mailto:randyj@nmgi.com)
- 620-664-6000 x 112

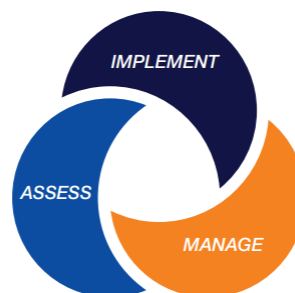


## Who We Are Network Management Group Inc



- Founded in 1984, CPA-centric from the beginning
- Highly rated customer service – immediate live phone support
- Top-rated Managed Service Provider (MSP) for CPA Firms
- Private company, family-owned
- Headquartered in Hutchinson, KS
- Data center in Lenexa, KS, redundancy available

### OUR APPROACH



## About K2 Enterprises

- Provides live and on-demand Continuing Professional Education (CPE) and professional development throughout the US and Canada
- Largest provider of technology-focused CPE for accountants and financial professionals in North America
- Services Offered
  - Live in-person and online presentations (conferences & seminars)
  - Webinars
  - On-site training
  - On demand self-study materials
- [www.k2e.com](http://www.k2e.com) or [www.k2e.ca](http://www.k2e.ca) for more information



# Latest Accounting Technology Lab Podcast Episodes



## Published ([Website](#)) ([Apple Podcast](#))

- [Amazon Music](#), [Google](#) podcasts
- Assurance Prep
- Aiwyn
- SOBI Analytics
- Microsoft 365 Plans and Options for Firms
- What is the Future of Desktop Accounting
- Stanford Tax
- Zoho Analyst Day

## Recorded, Will Be Released Soon

- Sage Transform
- Aider
- Datamatics
- MakersHub.ai
- Digilence
- Ricoh scanners
- Canon scanners



# Session Learning Objectives



Differentiate between the subscription options for Copilot

List options for accessing Copilot

Cite the steps necessary to create content using Copilot

Identify examples of risks associated with using Copilot and other forms of generative AI



# ARTIFICIAL INTELLIGENCE IN ACCOUNTING



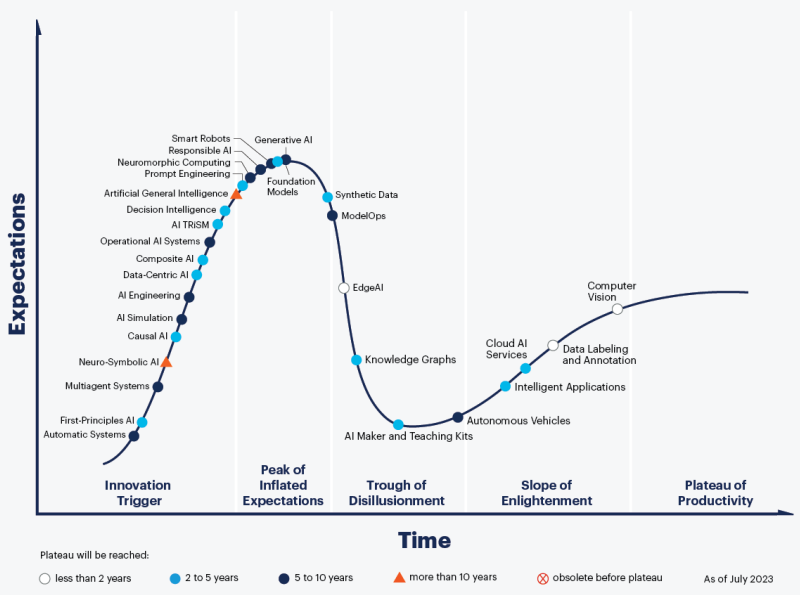
## So, Really, What Is AI?

*“AI can be defined as the ability to learn and perform suitable techniques to solve problems and achieve goals, appropriate to the context in an uncertain, ever-varying world.”<sup>1</sup>*

“AI is a machine’s ability to perform the cognitive functions we associate with human minds, such as perceiving, reasoning, learning, interacting with an environment, problem solving, and even exercising creativity.”<sup>2</sup>

<sup>1</sup>Stanford Institute for Human-Centered Artificial Intelligence

<sup>2</sup>McKinsey.com Featured Insights, McKinsey Explainers, What Is AI



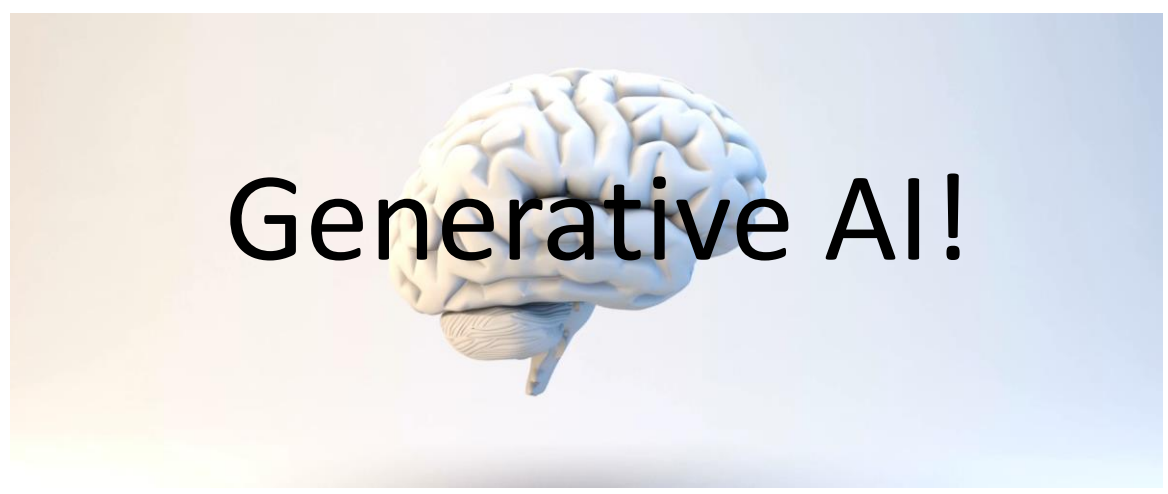
# Gartner AI Hype Cycle

gartner.com



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## So, Why All The Recent Buzz About AI?



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# What Is Generative AI?



- Conceptually, generative AI is quite simple...it is a form of AI **that allows technology to generate customized responses to your questions and prompts**
- Recent advancements in **Large Language Models (LLMs)** allow generative AI tools such as **ChatGPT** and **Gemini** to create responses to your questions
- It might be fair to think of generative AI tools as turbo-charged search engines

# Today's Biggest Generative AI Tools



## ChatGPT (Open AI)

- Launched in **November 2022**
- Microsoft has invested **\$11B**
- The free version (3.5) was last updated in January 2022
  - **v4.0 in Plus \$20/mo.**
  - **Teams \$30/mo., Enterprise plan**
  - **GPT-4o (omni) new on 5/13/24**
- <https://chat.openai.com>

## Gemini (was Bard by Google)

- Available in **March 2023**
- Like ChatGPT, you sign-up for a subscription
- Currently, **no charge** for Gemini Basic, but Gemini Advanced is \$19.99/mo. in Google One Premium subscription
- <https://gemini.google.com/app>



# Today's Biggest Generative AI Tools



## Copilot (Microsoft)

- Launched in **February 2023**
- Developed by **OpenAI**
- Microsoft has invested **\$10-20B**
- Initially launched as Bing Chat, now in Windows 11, M365
  - M365 \$30/mo., Enterprise plan
  - Free in Windows 11, Edge
  - Phi-3 new on 4/23/24
- <https://copilot.microsoft.com/>

## Claude (Anthropic)

- Released in **March 2023**
- Amazon has invested **\$4B**
- Currently, **no charge** for Claude
  - Claude Pro \$20/mo., Opus
- <https://claude.ai/chats>

# Microsoft Copilot



- **Copilot** is an AI-based platform that works much like a personal assistant and is powered by **ChatGPT-4**
- Copilot is available in **Windows 11** and you can enable it by going to **Settings, Personalization, Taskbar, and toggling the Copilot toggle switch "ON"**
- You can also access Copilot in the Edge browser using a feature known as **Bing Chat**
  - Open the Edge Browser and enter a search phrase
  - Edge populates a pane on the right side of the Window with the search response

# Microsoft Copilot



- Once you enable Copilot, you can use it to access ChatGPT-4 by clicking the Copilot icon in the Taskbar and typing your topic of interest, such as *“compare the advantages and disadvantages of operating as an S corporation from an income tax perspective”*

# Microsoft Copilot



## Question

## Response

Compare the advantages and disadvantages of operating as an S corporation from an income tax perspective.

- ✓ Searching for: advantages and disadvantages of S corporation from an income tax perspective
- ✓ Generating answers for you...



Operating as an S corporation from an income tax perspective has both advantages and disadvantages. Here are some of the main points to consider:

### Advantages:

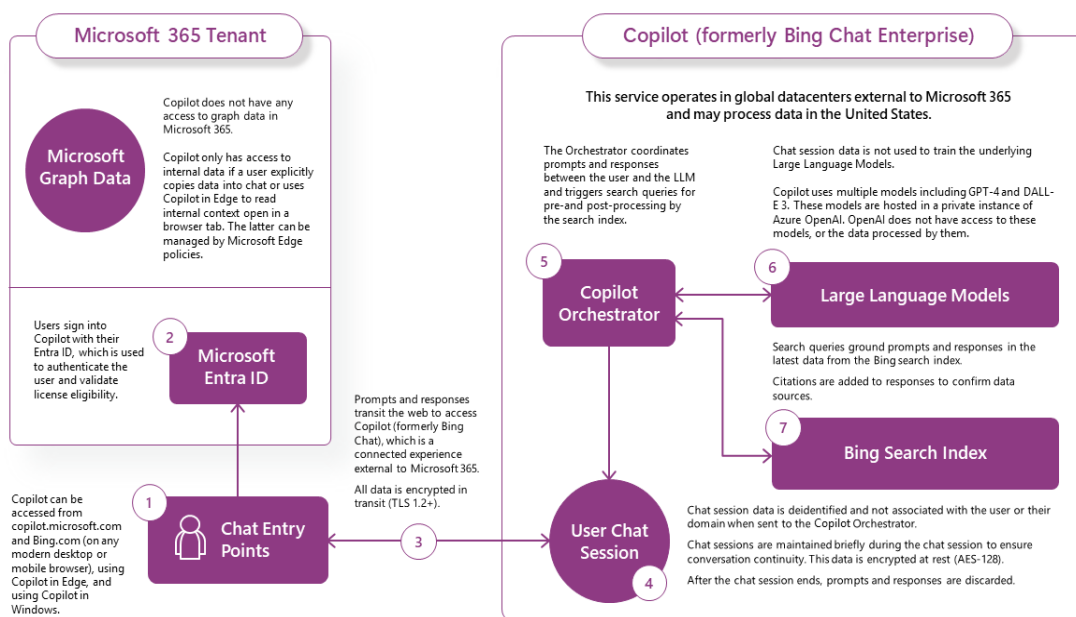
- **Avoidance of double taxation.** The earnings of an S corporation are only taxed once, at the level of its shareholders. This is significantly better than for a C corporation, where the corporation is taxed and then again when any distributions to shareholders are taxed<sup>1</sup>.

# More On Copilot



- If you have a paid subscription to Copilot, you can use it to do things such as:
  - Automatically respond to emails
  - Create PowerPoint presentations from Word documents
  - Summarize threads of email messages
  - Summarize Chat content from a thread of messages
  - Create transcripts of meetings
- Copilot became generally available as a subscription tool on 11/1/23
- \$30 per user, per month for Microsoft 365 E3, E5, Business Standard, and Business premium customers

## Copilots And Data Protection



# Are There Dangers With AI? *Absolutely!*



Biased  
Outputs

Copyright  
infringement

Data privacy

Data security

Deepfakes

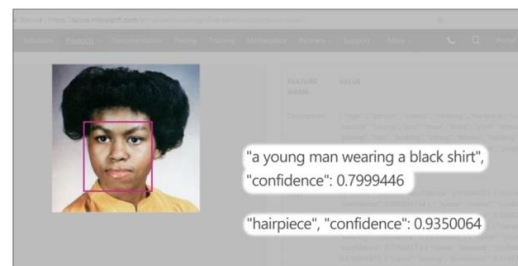
Hallucinations

## Biased Outputs



- AI systems can be biased, either **intentionally** or **unintentionally**
- Bias can exist around any factor, including personal ones such as race, gender, and age
- For example, consider the case of **Michelle Obama**

Michelle Obama



# Copyright Infringement



*Who owns the copyright to materials generated by AI?*

## Response, Per ChatGPT

*Generally, the entity or individual that creates the AI-generated content is considered the copyright owner. However, this may vary based on jurisdiction and specific contractual agreements.*

## Response, Per Gemini

*In the United States, the Copyright Office has stated that it will not register works that were created by an autonomous AI tool. This means that, under current US law, AI-generated works are either in the public domain or they are derivative works of the materials that the AI was trained on.*

# Copyright Infringement



## *New York Times Has Sued MSFT & OpenAI!*

- In December, NYT sued Microsoft and ChatGPT's parent company, OpenAI
- The Times alleges *"mass copyright infringement"*
- The Times continues with *"These tools were built with and continue to use independent journalism and content that is only available because we and our peers reported, edited, and fact-checked it at high cost and with considerable expertise"*
- One example provided by the Times OpenAI's software producing almost identical text to a Times article about predatory lending practices in New York City's taxi industry

## Data Privacy



- Consider the type of data you might “feed” into an AI tool or platform. How comfortable are you that sensitive data remains private and not identifiable back to an individual or an organization?
- Other issues include
  - Is there informed consent about collection and use
  - The threat of exposing sensitive data through a breach or attack
  - Lack of transparency regarding use of an individual’s or organization’s data

## Data Security



- Like other large caches of data, the **data stored in AI tools and platforms can present an inviting target because of the private nature of the data**
- Additionally, a general lack of human oversight can increase the vulnerability of the data
- Moreover, **the complexity of AI systems presents challenges concerning storing and protecting sensitive data**
- In fact, as reported on 11/10/23, Microsoft temporarily blocked team members from using ChatGPT due to security concerns

# Deepfakes



- **Deepfakes involve using AI to generate realistic images, audios, and videos so that they appear to represent an authentic person engaging** in some activity in which the person did not engage
- For example, a deepfake exists that appears to show Mark Zuckerberg bragging that he has control of data stolen from billions of people
- You can see some outstanding – and scary! – examples of deepfakes on YouTube at <https://k2e.fyi/deepfakes>

# Hallucinations



- Like humans, **AI is not perfect!**
- Sometimes, AI “hallucinates” and generates a faulty response that seemingly does not represent the data
- Often, **these hallucinations are based on anomalies in the AI model or issues associated with training the model**
- As an example, **Gemini incorrectly asserted in February 2023 that the Webb Space Telescope took the first image of a planet outside the solar system...in fact, the pictures of an exoplanet were taken in 2004**

# Hallucinations



- For an emerging technology such as AI, any reported inaccuracies can create questions regarding the reliability of the platform to the point that many potential users may refrain from the technology altogether
- To keep that from happening, **developers must use appropriate and relevant data when training the platform, thoroughly test the platform, and verify that appropriate preventive, detective, and corrective controls are in place**

# Summary



- **AI is real, it is here to stay, and it can help us all become much more efficient and effective workers**
- To be fair, **AI does make mistakes – but don't humans do too?**
- However, the tools available today – **Gemini, ChatGPT, Grammarly, Copilot, Power BI, MindBridge, OCR, and many others** – are all working exceptionally well, and they are affordable, easy to use, and incredibly accurate
- Given these positive attributes, **what's holding you back from reaping the benefits of AI?**





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***THANKS FOR PARTICIPATING TODAY!***