Governance

Digital Transformation in Treasury:

PEMPAL Event, Tashkent, Uzbekistan

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October 15, 2025

Agenda

1. Key trends/use cases for AI in treasury, and how to operationalize
2. Consolidation of financial statements, BI and Dashboards
3. Broader reform trends and direction of play

Key Use Cases for AI in Treasury

Control

- Anomaly detection for treasury payments;
    - sudden spike in payments into an account,
    - change in vendor bank, payroll employee bank ac,
    - duplicate invoices,
    - payment activity, associated with approval by one or a very few employees,
    - direct payment method to pay for large amounts to vendors without the purchase order, goods receipts or invoice,
- invoices from the same vendor with large payments with rounded amounts, or with sequential invoice numbers
- Triangulation of data to detect fraud and corruption: bid rigging (IFMIS, e-GP), social welfare payments (beneficiary registries, mobile usage, etc) , /VAT refunds (ITAS, customs, sale)

Efficiency

Cash forecasting, BI and Consolidation of financial statements, invoice processing, and harmonizing budget classification and chart of accounts across systems; Demo

Transparency

Update of open data portal through RPA, Chatbots (KSA, Australia, Mexico)

Operationalizing AI: beyond strategy, regulations, policy and governance

1 Leadership : Is Leadership committed?

2 Problem Statement :What is the problem; is it strategic enough to have impact? Can simpler solutions solve the problem?

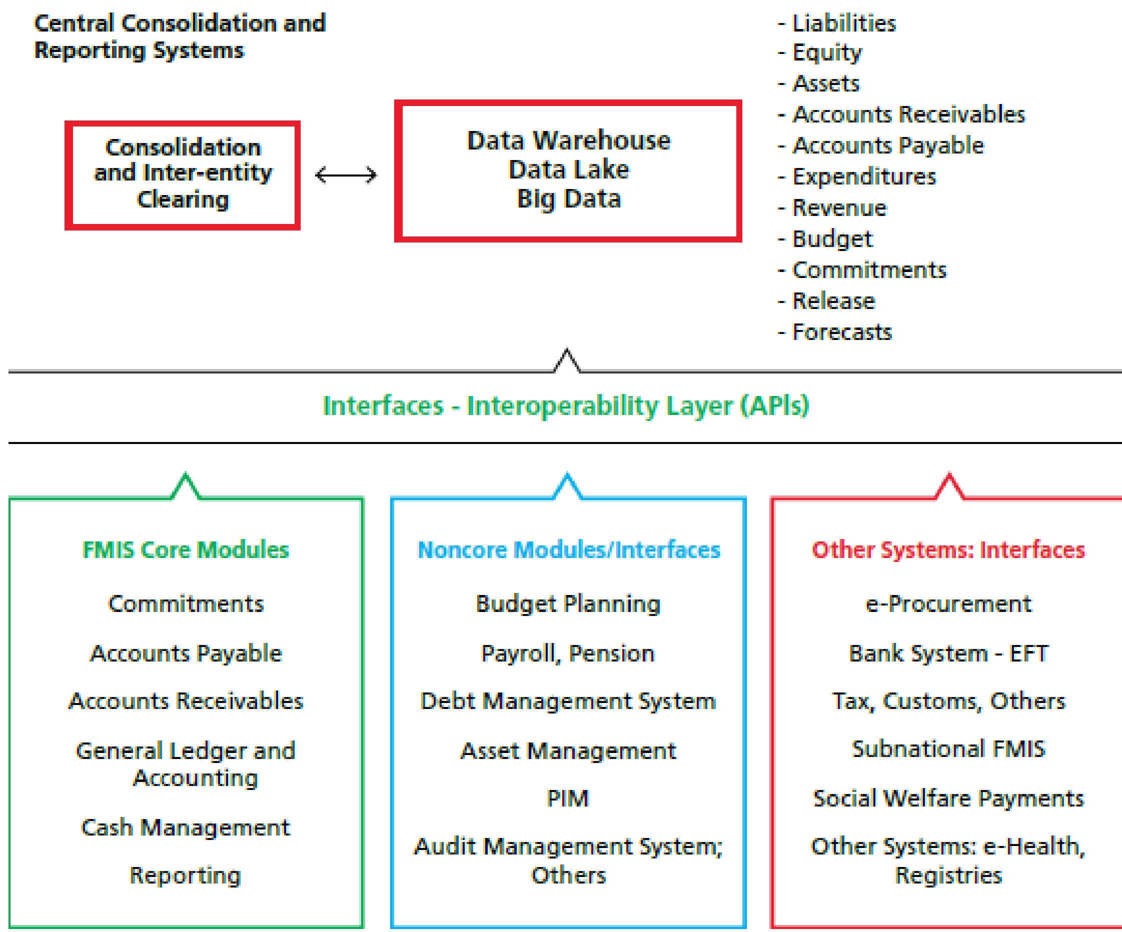
3 Data :Is data available, complete and of good quality; can it be shared/interoperable?

4 Coordination :Is there internal coordination mechanism with institutions who share the data? AI must be integrated in the existing processes;

5 Expertise : How can I access resources to fine-tune the problem statement, develop the idea, engage the AI expertise to test the idea through the proof-of-concept (PoC)?

BI, Dashboard, and Consolidation, and PFM ecosystem of digital tech

1. Major ERP vendors have a separate consolidation system: SAP BPC, Oracle Hyperion, PeopleSoft GL for consolidation
2. These systems take the load off the underlying IFMIS and protect its performance
3. Also have special purpose functionalities like inter-entity clearing
4. Trail Balance from underlying source systems could simplify the consolidation
5. Standardized Chart of Accounts at higher level critical for consolidation; AI can help;



Reform Prioritization – Common trends and direction

1. Be cashless, promote digital money – EFT, P-card, mobile money, QR codes
2. Digitize source documents, away from scan doc – contracts, invoices, good receipts/inspection or completion certificate, payment orders, budget requests, cash plans; also implement e-signature
3. Simplify and streamline processes – commitments and allotments, cash plans, green corridors, empowering the line ministries
4. Complete data gaps and strengthen data integrity: IFMIS coverage gaps, end-to-end process digitalization
5. Interoperability – payroll, e-GP, revenue, debt, assets, performance KPIs, budget
6. Use technology for IPSAS transition – dual ledger technology (cash and accrual ledger)
7. Implement consolidation tools and pilot AI selectively: human control, opensource, explainability, algorithm impact assessments (Candada)

Discussion