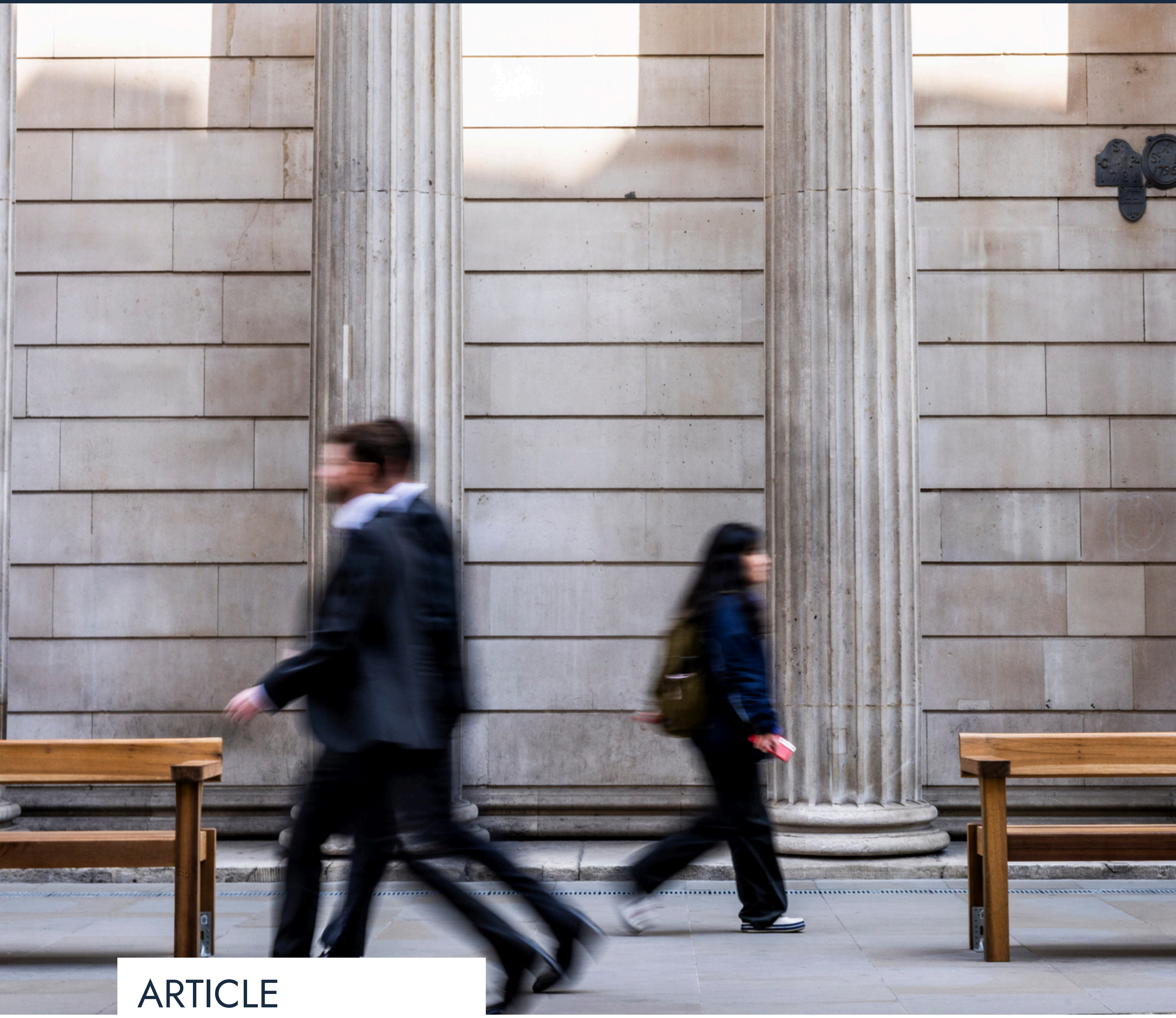

ARTICLE

AZURA

# THE CHANGING SHAPE OF FINANCIAL JUDGEMENT

*HOW AUTOMATION AND COMPLEXITY IMPACT TODAY'S FINANCIAL LEADERSHIP AND ACCOUNTABILITY*

Over the past few years, a subtle but consequential shift has been taking place in the relationship between finance leadership and the board. This shift has emerged through the steady accumulation of several changes: automation reshaping finance functions, data systems becoming more interconnected, and expectations of governance becoming more explicit.

This shift tends to surface instinctively in boardroom discussions. It comes through in conversations about internal controls, audit findings and data quality, and in questions around succession, capability and confidence. It becomes most tangible when boards are asked to stand behind outcomes, systems or statements that feel increasingly complex and, at times, difficult to fully see or interrogate.

What is less often examined is how these developments change the basis on which boards form confidence in the leaders, systems and assurances they rely upon.

What is changing is not just the scope of any one role, nor the volume of governance required of boards. It is the nature of judgement and accountability at the point where leadership, systems and oversight meet.

As finance becomes more automated and organisational systems more opaque, boards find themselves relying more heavily on interpretation, trust and leadership capability.

At the same time, the responsibility to stand behind that reliance is becoming clearer and more visible.

It is within this context that the evolution of the CFO role becomes particularly revealing as an expression of a wider shift in how organisations use insight and discretion and allocate accountability.

This paper reflects on that convergence, and on what it asks of boards, executives and the way leadership capability is assessed, developed and relied upon.

## How financial judgement is changing

For much of the past, financial understanding was formed through proximity to detail.

Audit work, manual processes and repeated scrutiny of transactions created an instinctive understanding of how numbers behave and where they can mislead. Judgement was learned through exposure, pattern recognition and sustained challenge.

That environment is changing. Even before the rise of AI, automation has removed much of the work that once trained scepticism through repetition.

Finance professionals are now further removed from the mechanics beneath reported outcomes. At the same time, financial information increasingly flows from complex, interconnected systems spanning finance, operations and technology.

Context and conditions are becoming increasingly important. Finance functions are more efficient, and data is more readily available, yet confidence increasingly rests on trust in systems, assumptions and controls that are not always easy to interrogate, even for experienced leaders. For boards, this subtly alters what they are relying on when they look to finance for information.

Recent accounting errors among UK-listed companies have sharpened awareness of this shift. In many cases, these were not driven by misconduct, but by weaknesses in systems, assumptions or oversight that only became visible over time.[1]

For boards, they serve as a reminder that apparent accuracy does not always equate to underlying robustness, particularly in complex or highly automated environments.

"When something breaks, it can be difficult to trace cause, responsibility or timing with certainty."

## Interconnected systems and diluted visibility

As systems become more integrated, the boundaries between financial, operational and technological risk have blurred. Issues rarely sit neatly within one domain, or within a single line of accountability.

When something breaks, it can be difficult to trace cause, responsibility or timing with certainty.

For boards, this creates a particular challenge. Oversight has not diminished, but visibility has become more diffuse. Directors are increasingly reliant on management to interpret what systems are producing, rather than being able to interrogate the underlying mechanics directly.

This reliance is not new. What has changed is its scale. As organisations grow more complex, boards are being asked to place confidence in layers of automation, delegation and expertise that sit further from the boardroom.

[1] Recent disclosures by UK-listed companies, including retailers such as B&M and WH Smith, illustrate how accounting issues can arise from the interaction of systems, assumptions and oversight, becoming visible only after deeper review rather than through misconduct.

## The widening expectations placed on CFOs

At the same time, the CFO role has continued to broaden. Many CFOs now carry responsibility beyond finance, often encompassing data, analytics, sustainability, risk or transformation.

They are central to strategic decision-making, not only because of their financial perspective, but because they help interpret complexity across the organisation.

Boards increasingly rely on CFOs not just to report performance, but to make sense of it. The CFO has become a translator between systems and strategy, and between data and judgement.

It is perhaps not surprising that CFOs are becoming even more sought after as non-executives, beyond the remit of Audit Committee Chair. Across markets, boards appear to value the combination of financial literacy, risk awareness and organisational perspective CFOs bring, particularly in complex or regulated environments, and in times of market and/or performance uncertainty. This trend reflects a search for more insight and confidence at the board level, rather than a simple preference for financial expertise.

## The talent pipeline beneath finance leadership

Beneath this, subtler shifts are taking place in how finance leaders are formed. The traditional training ground of the large professional services firms is itself changing.

Junior roles are increasingly automated, graduate intake patterns are evolving, and fewer early-career professionals spend extended periods close to transactions and audit work.

This raises a longer-term question for boards. If future CFOs are trained further from the underlying mechanics of finance, where will scepticism, challenge and judgement be built instead? How will leaders develop the confidence to question systems they did not design, but are expected to rely on?

These are not immediate risks, but structural ones that will unfold over time.

"How will leaders develop the confidence to question systems they did not design, but are expected to rely on?"

## A quiet tension in the boardroom

Boards increasingly depend on the quality of discernment in senior finance leadership precisely at a time when the pathways that once shaped that skill are shifting.

The instinctive response is often to seek more reporting. More dashboards. More assurance. Yet more information does not always translate into greater confidence. In some cases, it can obscure rather than clarify where judgement is being exercised and where risk truly sits.

What is often needed instead is refinement where the board leans in, and where it relies on management. Which areas genuinely require board-level scrutiny? Which capabilities does the board depend on most? And are those capabilities sufficiently experienced, challenged and trusted?

This is less about the quantity of oversight and more about its quality. Boards that feel most exposed are not necessarily those with the weakest controls, but those where the link between accountability, insight and trust has become blurred.

## Governance, responsibility and the limits of delegation

The introduction of Provision 29 in the UK Corporate Governance Code makes this tension more explicit. Boards will be required to state that their internal controls are effective, not simply present or documented.

Formally, this does not introduce new responsibilities. Most boards already consider internal controls part of their remit. Yet the requirement to make an explicit statement changes the tone of accountability.

It sharpens the question of how boards know what they claim to know, and on what basis that confidence rests. It asks them to make a judgement call, rather than simply state a fact.

For boards already feeling the weight of expanding governance obligations, this matters. It draws attention to the limits of delegation and the importance of understanding where insight sits within the organisation.

Internal audit and data governance, once viewed primarily as technical or assurance functions, take on greater significance in this context.

They become sources of insight into how the organisation actually operates, not just whether it complies on paper.

## Questions worth sitting with

Rather than offering prescriptions, this moment invites reflection. Boards may wish to consider:

- Where do we place trust today, and is that trust grounded in evidence? Can we clearly articulate it?
- Do we have sufficient confidence in our finance leadership's translation and assessment of information, not just the information itself?
- How visible are the systems, assumptions and controls that underpin the statements we are asked to sign?
- Where should the board lean in more deliberately, rather than asking for more information by default?
- Are we appointing and developing finance leaders for a world of interpretation, complexity and accountability, not just reporting?

## A slower landing

Boards today operate under intense scrutiny and increasing constraint. Governance agendas are fuller, expectations are more explicit, and time for reflection is harder to protect. In that context, it is understandable that reassurance is often sought through structure, process and reporting.

Yet the shifts described here suggest that reassurance increasingly comes from a different place. As systems grow more powerful and interconnected, and as automation removes some of the visibility that once sat closer to human judgement, the quality of leadership and interpretation becomes more critical. What matters is not simply how much information boards receive, but how confident they are in the evaluation of it.

This places quiet but meaningful weight on decisions boards already make: who they appoint, how they assess capability, where they place trust, and how leaders are developed over time. These choices shape not only the quality of insight boards receive, but the confidence with which they can stand behind the responsibilities they carry.

The convergence between finance leadership and board accountability is already underway, whether consciously recognised or not. The question is not whether boards will encounter it, but whether they choose to engage with it deliberately: revisiting assumptions about leadership, assessment and oversight now, rather than under pressure later.

## The Azura perspective

At Azura, our work sits at the intersection of governance, leadership and long-term organisational direction. As a boutique firm specialising in board and leadership advisory and executive and non-executive search, we work closely with Chairs, CEOs and investors to create the clarity and alignment required for effective decision-making in complex environments.

Across the UK, the Netherlands and the US, we see how expanding governance demands, increasingly interconnected systems and rising risk aversion can narrow strategic space and heighten reliance on judgement that is not always easy to articulate or test. In that context, questions of leadership capability, succession and development take on greater significance, not as abstract talent topics, but as foundations of board confidence and accountability.

Our role is to help boards make those foundations more visible and robust: clarifying where judgement sits, strengthening succession pipelines, sharpening board–executive alignment, and supporting leaders to operate with confidence and credibility over time. Our approach blends data-informed insight, behavioural depth and international perspective to support decisions that serve not only the urgent, but the important.

## About the authors

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