Rutgers AICPA Audit Analytics Research Initiative Meeting
June 21, 2017

Participants:

RADAR Board Members:

Brian Miller	Brian Wolohan
Mary Grace Davenport	Dan Balla
Katie Greehan	Shannon Walkowiak
Shane O'Connor	Michael Leonardson
Sue Coffey	

AICPA, CPA Canada and Rutgers Staff & Researchers:

Al Anderson	Kari Lee (MADS)
Amy Pawlicki	Tiffany Chu (Process Mining)
Dorothy McQuilken	Qi Lu (Visualization)
Kelly Hnatt	Micheal Wynen
Miklos A. Vasarhelyi	
Kaylynn Pippo	
Ami Beers	

Observers:

Brian Collins	Nicole Deschamps
Jason Guthrie	Trevor Stewart
Eric Cohen	Vanessa Teitelbaum
Evan DeFord	Kristine Hasenstab

Meeting Minutes:

- The primary purpose of the call is to update the group on the status of the research projects.

- The board approved the May 18, 2017 meeting minutes for posting to the RADAR website.

- AICPA staff is in the process of scheduling interviews between the board reps and MADS research team. The purpose of these interviews are to help the research team apply the MADs framework to appropriate audit situations, and to work through the team's questionnaire. The group discussed how the interviews would be structured to ensure that they are meaningful and beneficial to the researchers. The following suggestions were made:

- Align the firm interviews with the examples that are currently included within the guide. Choose examples that would work well with the MADs framework and frame the questionnaire around that specific example.
- Allow reps to bring their own examples (due to some of the scenarios in the ADA Guide not being designed to highlight the MADs process) to discuss at the interviews, and discuss the questionnaire base their specific example. When deciding on what examples to use, reps are asked to consider examples of where they are applying multiple analytics, and how they are classifying "notable" items.
- Allow researchers to follow up with the firms, after the interviews, to discuss any additional questions that they have, or to clarify anything that they are unsure of.

Next Steps:

1. **AICPA staff will schedule interviews with each representative. Interviews will be in person and held at the AICPA NYC office. If possible, we will schedule the POV mini-session taping around the same time.**

2. **When scheduling interviews, AICPA staff will ask board representatives whether or not they would like to discuss their own example, or use an example from the ADA guide. When deciding on what examples to use, reps are asked to consider examples of where they are applying multiple analytics, and how they are classifying "notable" items.**

3. **Board reps to reach out to AICPA staff if they are interested in participating in the process mining POV taping.**

- **Project Updates:**

  - **MADs Project Update**
    - The team has begun initial coordination with the board reps to schedule interviews to discuss the MADs framework. They have continued to analyze the procurement dataset, and have been researching how to better weigh the Step 1 and 2 filters when classifying items as "notable" or "exceptional".

  - **Process Mining Update**
    - The team continues to analyze the procure–to–pay and order-to-cash data set, while waiting on feedback from the data providers, and is working on examining timestamp information.

  - **Visualization Update**
    - Since the last meeting the team has focused on applying 3D visualization techniques to their sample data set in order to analyze: (1) purchase quantity, purchase amount per store and per month, (2) purchase amount of each brand per store per month, and (3) purchase amount of each brand from each vendor per store per month.

- The team is also analyzing a dataset from a commercial company.
- It was noted that the team should also focus on determining whether or not the generated visualizations could be used as audit evidence. It may help to align this project with the MADs project.