

RADAR Monthly Update Call

Meeting Minutes

May 1, 2019

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Meeting Minutes

- The purpose of this call was to update the RADAR board members and observers on the status of the MADS and Process Mining projects (i.e. “Tracks”).
- The board approved the February 6, 2019 meeting minutes for posting to the [RADAR website](#).
- The board discussed “TRACK 2 – Future of RADAR” of the RADAR 2019 Project Plan. This track relates to the future of RADAR. A survey will be shared with the RADAR board members. The purpose of the survey is to gain insight and feedback on the RADAR initiative in order to help determine what the future of RADAR looks like. This survey will be shared with the board in the upcoming months.
- An update was given on “TRACK 1 – Completion of MADS and Process Mining projects” of the RADAR 2019 Project Plan. This track has two work streams currently underway:
 - **MADS / Process Mining Deliverables** – The purpose of these deliverables is to memorialize some of the work that has been performed by the research teams over the MADS and Process mining models. The research teams have been drafting papers covering the following:
 - **MADS** – The team has drafted several papers related to MADS: (1) overall introduction to the MADS model, (2) application of the MADS model to expenditure testing, revenue testing, payroll testing and journal entry testing. These papers will be shared, individually, with the board for review in the upcoming weeks. Once comments are addressed, the final papers will be consolidated into one document and shared with the board for a final fatal flaw review before publishing to the website.
 - **Process Mining** – The team developed a paper discussing the process mining project and the draft model for identifying notable variants. This paper will also

be shared with the board for review in the upcoming weeks. The final paper will be published to the website.

- **MADS / Process Mining Experiments** – Experiments are being conducted by RADAR volunteers in order to continue to validate the MADS / Process Mining models. There are three experiments that have been completed, and few still underway. Overall feedback is as follows:
 - The MADS model is highly judgmental and additional guidance may be needed to help auditors in applying the model to audit areas.
 - For both MADS and process mining, obtaining data and the right level of data is a challenge.
 - Regarding the MADS model, documentation guidance is needed (i.e. what should audit teams be documenting and including in working papers?).
 - Regarding the MADS model, guidance is needed to determine what should be done with the population of items that does not trigger a filter.

AICPA staff will continue to consolidate all feedback received, and will work with the board and research teams to determine how to address the open questions.

- The meeting was adjourned. The next conference call is scheduled for Wednesday, June 5th from 3:00pm – 5:00pm ET.

Next steps/Action Items:

- AICPA staff will share MADS / Process Mining deliverables, with the board for review, as they become available.