

CASE STUDY

Doeren Mayhew improves audit engagements using AI

THE CHALLENGE

- Seeking ways to provide more value to clients
- Desire to keep pace and evolve with the latest technologies
- Ingesting and analyzing large amounts of client data

THE RESULTS

- Reduced open items list after fieldwork; time saved on back-and-forth with client
- Identified high-risk transactions not found with traditional testing
- Added elements of unpredictability to the engagement

Doeren Mayhew, a nationally recognized Top 100 CPA firm, prides itself on its commitment to a higher value proposition to make a difference in the business of their clients. Promising insight, oversight, and foresight, the firm goes beyond traditional compliance to understand client businesses and give them the foundation to fulfill their missions.

A key component of this philosophy is the continued investment into new technologies that support strategic advisory insights. The firm recently adopted **MindBridge Ai Auditor** to bring artificial intelligence and machine learning techniques to analyze client ledger data and report on risks. This case study explains how the platform was used for a global automotive parts manufacturer that had some unique traits.

Using AI to add value for clients

MindBridge Ai Auditor was used for an audit engagement with the U.S. division of a client that performed sales and logistics locally and manufacturing overseas. The client had some unique qualities, such as managing foreign currencies, holding all inventory in third-party warehouses, and dealing with unusual amounts of related-party receivables and payables. The client also used an older and very simple accounting system.



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John Downey,
Senior Audit Associate



From the beginning, using AI provided opportunities to streamline the engagement. Up front, Doeren Mayhew asked for and received the entire general ledger (GL) detail to analyze and answer questions on their own. As John Downey, Senior Audit Associate, explains, “We usually leave the field with a long laundry list of items but this year, with Ai Auditor, we left with our shortest open items list and could answer questions on our own.”

Having AI-based analysis run through the entire GL offered significant benefits in terms of identifying medium- and high-risk transactions because the underlying anomalies would not typically be found with traditional methods. For example, Ai Auditor reported on transactions under forgiveness of debt income that normal procedures would have found, but it also identified items that are not part of traditional testing. “It’s

really advantageous in terms of tagging the high-risk transactions,” Downey explains. “With the entire GL loaded, we can validate completeness by checking the beginning and ending trial balances, and its run through all these AI control points that are identifying risk without you having to think about it.”

AI offers the ability to investigate the client’s GL and answer questions without the usual back and forth with the client. On the first day of fieldwork, the client was asked to run their entire GL details for ingestion into Ai Auditor – an atypical request for a traditional engagement. This comprehensive dataset allowed the AI to know how entries were posted during the year without follow-on data ingestion work.

Downey says, “A huge slowdown for any audit is having to wait on client responses to our questions. With Ai Auditor, both us and the client are more efficient during the process because we have the data early. For this audit, there were year-end journal entries in inventory and accounts payable posted by the controller to adjust to the GL that we wanted to investigate. In the past, we would have to go back and ask but this time, I just pulled up the details right away.”

Another benefit of AI is the added element of unpredictability, useful for preventing a client from tracking all questions and requests from prior audits and using the information to commit fraud. Downey explains, “We have to add unpredictability to every audit and document how we do it. With clients going through Ai Auditor for the first time, it’s looking at the entire GL and introducing something completely unpredictable to them as no one has ever done it before.”

Five strategies to maximize the value of AI

Based on their experience, Doeren Mayhew offers five recommendations on how to use AI for audit engagements:



Analytics: Improve audit planning and testing using AI-driven insights into the entirety of the client dataset, such as monthly sales and cost of goods sold



Journal Entry Testing: Perform faster and more comprehensive completeness testing of the client's GL



Unpredictability: Add elements of unpredictability by analyzing the entire GL in ways that the client has not experienced before



Search: Extract details on any transaction within the entire GL, whether flagged as high or low risk



AP module: Analyze the standalone risk of AP subledgers to identify high-risk vendors

Downey has the last word, "There's a lot of people in the firm that want to use Ai Auditor. We're looking for people to have the experience that I had on this client and once other people get it, AI will just continue to grow."

For more information on MindBridge Ai Auditor or to sign up for a demonstration, visit mindbridge.ai.

About Doeren Mayhew

Doeren Mayhew is a leading group of CPAs and trusted advisors who go beyond traditional accounting to help mid-sized companies grow and prosper. Founded in 1932, we are today a top 100 firm recognized globally and applauded nationally among INSIDE Public Accounting's "Best of the Best."

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About MindBridge Ai

Through the power of human-centric artificial intelligence, MindBridge Ai helps organizations deliver rapid value to their clients with deeper insights and higher risk assurance for 100% of their data. With MindBridge Ai Auditor, the world's first AI-powered auditing solution, organizations across multiple industries are augmenting human capacity to restore confidence in their financial data.

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