**This is a sample workpaper that may be used in your engagement or organizational documentation.**

*Disclaimer:*

*This material is confidential and provided under the terms of your agreement with MindBridge for illustrative and informational purposes only.*

*Supplemental use case documentation herein has not been peer reviewed under the various auditing or similar standard setting bodies and is purely illustrative in nature. There may also be various firm-specific considerations under ISQM 1 requirements that may not be captured by this document.*

*MindBridge does not accept any liability of any kind relating to the use of this material.*

*For any questions with regards to this document, contact your MindBridge Customer Success Manager (CSM).*

**Memorandum**

To: Engagement Workpapers

From: [Insert auditor name]

Date:

Re: Ensuring Reliable Technological Results with MindBridge

Under the International Ethics Standards Board for Accountants (IESBA) [*International Code of Ethics for Professional Accountants (including International Independence Standards)*](https://www.ethicsboard.org/international-code-ethics-professional-accountants), professional accountants who plan to rely on the work of others, whether internal or external to the employing organization, or other organizations, are required to determine whether reliance on those others (including technology) is reasonable.

The IESBA revisions require professional accountants to determine whether it is reasonable to rely on technology, whether developed internally or provided by third parties. The revisions cite factors that are relevant when identifying compliance threats when relying on the output of technology, including:

* Whether information about how the technology functions is available to the accountant
* Whether the technology is appropriate for the purpose for which it is to be used
* Whether the accountant has the professional competence to understand, use, and explain the output from the technology
* Whether the technology incorporates expertise or judgments of the firm
* Whether the technology was designed or developed by the accountant or employing organization and therefore might create a self-interest or self-review threat

*For Public Accounting Firms Only:* These requirements are in addition to the requirements outlined in International Standard on Quality Management 1 (ISQM 1) that require an assessment of service providers.

MindBridge is a globally recognized risk discovery platform that we have utilized for various audit procedures. MindBridge has long realized that transparency is critical for safe and effective use of technology, and it has received numerous independent third-party validation of the reliability of its technology. We can establish a high degree of assurance that the MindBridge solution delivers credible results through several key factors:

* **Algorithm Validation:** MindBridge's algorithms undergo regular independent third-party validation, including a comprehensive audit by Holistic AI, a renowned center for algorithm safety.
* **Security and Compliance:** MindBridge holds SOC 2 Type 2 certification, affirming robust controls over information security and data confidentiality.
* **Quality Assurance:** MindBridge employs a rigorous Quality Assurance (QA) process to ensure all technological changes meet stringent standards. This includes comprehensive testing for functionality, performance, and security across development cycles.
* **Certifications:** MindBridge maintains ISO 27001, 27017, and 27018 certifications, demonstrating its commitment to secure data handling and privacy.

We have read and obtained the documentation with regards to validation and compliance certifications above. We have understood the contents of those reports and have assessed the impact to our reliance on the MindBridge platform.

**Technology Ethics**

We have specifically assessed the following criteria based on the factors to rely on the work of others or technology.

1. The nature of the activity to be performed by the technology

*We utilize MindBridge for the following procedures and tests <<remove items that do not apply>>:*

* *Planning analytics*
* *Risk assessments*
* *Full population transaction scoring*
* *Journal entry testing*
* *Sampling*
* *Overall analytical review*
* *Standback assessments at the completion of the engagement*
* *[Insert steps, as appropriate]*

*We have determined under our firm methodology that MindBridge’s technology is appropriate and sufficient for such purposes.*

1. The expected use of, or extent of reliance on, the output from the technology

*We have determined that the output from MindBridge’s technology will be used to inform better with data for the above-listed procedures. We believe that the extent of reliance on that output is appropriate. MindBridge’s reports also include a completeness report that validates that complete data was loaded into the platform and provides underlying support in various report exports.*

1. The professional accountant’s ability to understand the output from the technology for the context in which it is to be used

*Our firm has sufficient expertise and knowledge of the organization to understand the context in which the technology will be used. The documentation provided by MindBridge in their Knowledge Base is written in plain English, and their workpaper exports (.pdf, .docx, .xlsx, etc.) provide additional information to show how the workpaper was generated so that we can understand the output.*

1. Whether the technology is established and effective for the purpose intended

*As discussed above, MindBridge has been certified as having* *high levels of reliability from a variety of independent sources. The areas these sources have reviewed include the design suitability and operating effectiveness of its controls, its use of information technology and security best practices, and its audit algorithms. MindBridge serves customers in the audit and advisory, enterprise, government, and financial institution industry around the world. They have customers of all sizes of firms from global, major firms to smaller practitioners. In addition, the brand is well known in the audit field for enhancing audit quality.*

*Further, we have implemented and designed a system of quality management with regards to the use of technology tools and the use of service providers, such as MindBridge. These considerations have been documented in our ISQM 1 working papers and have been reviewed by individuals inside the firm with appropriate knowledge and skills.*

*<<document results, if available>>*

1. Whether new technology has been appropriately tested and evaluated for the purpose intended

*As discussed above, MindBridge has been certified as having* *high levels of reliability from a variety of independent sources. The areas these sources have reviewed include the design suitability and operating effectiveness of its controls, its use of information technology and security best practices, and its audit algorithms. As part of version releases of MindBridge, we have been provided release notes that allow us to understand and evaluate those changes and the impact on the use cases being rolled out by our firm on various engagements.*

*Further, we performed internal testing procedures to assess the platform and related version changes to determine that it was fit for our purposes as outlined in #1 above.*

*<<describe such assessment and evaluation procedures>>. <<if not tested, document why there is no need to do so >>*

1. The reputation of the developer of the technology if acquired from or developed by an external vendor

*As discussed above, MindBridge has been certified as having* *high levels of reliability from a variety of independent sources. The areas these sources have reviewed include the design suitability and operating effectiveness of its controls, its use of information technology and security best practices, and its algorithms.*

*In addition to the third-party validations mentioned earlier, MindBridge has been recognized by the World Economic Forum as a Technology Pioneer for its advancements in transforming the analysis of financial data. Further, they were the first private sector signatory to the* [*Montreal Declaration for a Responsible Develop of Artificial Intelligence*](https://www.montrealdeclaration-responsibleai.com/the-declaration)*.*

*MindBridge has been in operation for 9 years with a strong reputational footprint in the industry, trusted by many of the top 100 accounting firms and provides its solution to some of the largest enterprise clients.*

1. The firm’s oversight of the design, development, implementation, operation, maintenance, monitoring or updating of the technology

*The independent reviews of MindBridge have confirmed the appropriateness and effectiveness of its quality control processes.*

*<<describe the firm’s oversight process on the implementation of MindBridge – from the first-time usage to the most recent version release>>*

1. The appropriateness of the inputs to the technology, including data and any related decisions

*MindBridge performs several validations checks to determine the quality, integrity, and completeness of the data it is provided.*

***For Public Accounting Firms Only:* ISQM *1 or other applicable standards***

We have specifically assessed the following criteria based on the factors to rely on a service provider as outlined in ISQM 1 *<<firms to add more considerations depending on their established quality objectives and risks>>*:

1. The related quality objective and quality risks

*MindBridge’s technology allows us to reduce detection risk by assessing multiple and simultaneous tests of the entire general ledger and brings higher risk transactions to the forefront for additional consideration. Further, due to the nature of the general ledger being analyzed and the ability of MindBridge to re-aggregate the data to financial statement accounts and/or class of transactions, we are able to gain real data related to a client’s inherent risk rather than rely upon only theoretical risk profiles of various accounts and/or classes of transactions. This enhanced ability to reduce detection risk and better fine-tune inherent risk reduces overall audit risk and increases overall quality.*

*<<document the quality risk>>*

1. The nature and scope of resources, and the conditions of the service (e.g., in relation to an IT application, how often updates will be provided, limitations on the use of the IT application and how the service provider addresses the confidentiality of data)

*Scope: See #1 of Technology Ethics section.*

*Update Frequency: Per inquiry with MindBridge Customer Service, major feature releases are typically scheduled for May, August, and November. However, there are regular minor releases on an ongoing basis to improve the user experience.*

*Data Confidentiality: As noted earlier, MindBridge maintains SOC 2 Type 2 and ISO 27001 certifications related to data security. MindBridge is also fully compliant with relevant data privacy legislation in key markets in which it operates. More information on MindBridge’s data security program can be found here: <https://www.mindbridge.ai/support/security/>*

1. The extent to which the resource is used across the firm, how the resource will be used by the firm and whether it is suitable for that purpose

 <<*Describe scope of adoption of MindBridge within the firm>>*

1. The extent of customization of the resource for the firm

*MindBridge allows for in-platform configuration based on the engagement or firm-specific needs. In addition, various template libraries are set up and used.*

*The Firm does not have custom features in MindBridge. MindBridge does allow us to turn off features that we are not ready to use yet, but since they are not in use, any such content is outside of the scope of this assessment.*

*<<document specific customizations made or features that were turned off>>*

1. The firm’s previous use of service provider

*For longer-term customers: The Firm has used MindBridge since [insert date] and continues to believe the platform provides value in engagements with the appropriate transparency as previously outlined.*

*For new customers: MindBridge is a new tool for the Firm. However, we performed tests to determine the appropriate use of the MindBridge platform. Also see #6 (below) for MindBridge’s experience in the industry.*

1. The service provider’s experience in the industry and reputation in the market

*In addition to the concepts already discussed in this document, MindBridge was the first to bring an ensemble AI approach to the market for the analysis of financial transactions, an approach that runs multiple tests simultaneously on a general ledger and analyzes transactions and balances in order to enable professional accountants to discover more. This approach was then widely recognized after the launch of the most recent US project on audit evidence (SAS 142), which outlines an ADA Scoring Model in Exhibit A that summarizes the MindBridge approach.*

**Conclusion**

As a result of our review, we have determined that the MindBridge platform meets the technology reliability standards under IESBA. Our internal ISQM 1 <or other applicable standards> documentation also supports our reliance on the MindBridge platform.