

Company Background

Best-in-Class (BIC) Bank is a Global Investment Bank providing Wealth Management & Advisory services to High net-worth individuals and institutional investors. It also specializes in providing Custodian services to these customers for specific fees schedule. BIC Bank provides one-stop digital banking services to provide comprehensive solutions to their client's financial needs. Their set of services offer clients increased convenience and highly efficient online banking services. Their clients around the world also have access a multitude of high-value market instruments and customized, structured digital asset management that helps significantly grow and maximize their asset values. Apart from that, their team of experts are well-equipped to deliver strategic, diverse investment services and customized financial solutions that assist their client's to reach their desired wealth goals, giving them an added edge in the crypto and foreign exchange market.

BIC has financial advisory team which provides short-term and long-term wealth and asset management strategies in order to extract the most value for business. As an asset management firm practicing responsible wealth management, they attempt to accurately identify the diverse financial needs of our corporate clients by offering an integrated suite of end-to-end financial solutions that meet the enterprises' financial requirements and operational status. In order to obtain long-term market foresight and strategic global perspective, they derive their market research from comprehensive, in-depth analysis of the business and financial markets. They also have an increased insight into the local markets as a result of our extensive experience in handling capital operations and managing assets.

BIC also provides services to facilitate auditing for legal and regulatory purposes. The term audit usually refers to a financial statement audit. A financial audit is an objective examination and evaluation of the financial statements of an organization to make sure that the financial records are a fair and accurate representation of the transactions they claim to represent. The audit can be conducted internally by employees of the organization or externally by an outside Certified Public Accountant (CPA) firm. There are three main types of audits: external audits, internal audits, and Internal Revenue Service (IRS) audits. External audits are commonly performed by Certified Public Accounting (CPA) firms and result in an auditor's opinion which is included in the audit report. An unqualified, or clean, audit opinion means that the auditor has not identified any material misstatement as a result of his or her review of the financial statements. External audits can include a review of both financial statements and a company's internal controls. Internal audits serve as a managerial tool to make improvements to processes and internal controls.

Types of Audits supported

External Audits

Audits performed by outside parties can be extremely helpful in removing any bias in reviewing the state of a company's financials. Financial audits seek to identify if there are any material misstatements in the financial statements. An unqualified, or clean, auditor's opinion provides financial statement users with confidence that the financials are both accurate and complete. External audits, therefore, allow stakeholders to make better, more informed decisions related to

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the company being audited. External auditors follow a set of standards different from that of the company or organization hiring them to do the work. The biggest difference between an internal and external audit is the concept of independence of the external auditor. When audits are performed by third parties, the resulting auditor's opinion expressed on items being audited (a company's financials, internal controls, or a system) can be candid and honest without it affecting daily work relationships within the company.

Internal Audits

Internal auditors are employed by the company or organization for whom they are performing an audit, and the resulting audit report is given directly to management and the board of directors. Consultant auditors, while not employed internally, use the standards of the company they are auditing as opposed to a separate set of standards. These types of auditors are used when an organization doesn't have the in-house resources to audit certain parts of their own operations. The results of the internal audit are used to make managerial changes and improvements to internal controls. The purpose of an internal audit is to ensure compliance with laws and regulations and to help maintain accurate and timely financial reporting and data collection. It also provides a benefit to management by identifying flaws in internal control or financial reporting prior to its review by external auditors.

Internal Revenue Service (IRS) Audits

The Internal Revenue Service (IRS) also routinely performs audits to verify the accuracy of a taxpayer's return and specific transactions. When the IRS audits a person or company, it usually carries a negative connotation and is seen as evidence of some type of wrongdoing by the taxpayer. However, being selected for an audit is not necessarily indicative of any wrongdoing. IRS audit selection is usually made by random statistical formulas that analyze a taxpayer's return and compare it to similar returns. A taxpayer may also be selected for an audit if they have any dealings with another person or company who was found to have tax errors on their audit. There are three possible IRS audit outcomes available: no change to the tax return, a change that is accepted by the taxpayer, or a change that the taxpayer disagrees with. If the change is accepted, the taxpayer may owe additional taxes or penalties. If the taxpayer disagrees, there is a process to follow that may include mediation or an appeal.

Problems at hand

Problem 1:

There are very frequent audit requests that BIC bank gets. As part of audit requests, they are expected to report all the data from Client's financial statements to the requesting party – Government, Regulatory, and so on. There is a lot of operational challenge and is huge manual overhead for the bank to read, manually key the numbers, review and then submit the report. Hence for the sample types of bank account statements, BIC bank is looking to automate the process using Machine Learning and Artificial Intelligence to perform below activities:

1. Extract Data from the bank statements using Machine Learning / AI OR GenAI and explain the rationale behind the choice made.

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2. Load the data on the UI Screen in the tabular format as provided in Appendix.
3. Show extraction accuracy score on the screen
4. Check for any fraudulent transactions using Machine Learning / AI
5. Allow for manual review or edit of data on screen
6. Ability to save the data
7. Ability to export the extract data into a CSV format

Appendix

Client Name	Bank Name	Account Number	Transaction Date (mm/dd/yyyy)	Credit/Debit	Description	Amount	Balance

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