

**Project Design Phase**  
**Proposed Solution Template**

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|---------------|---|
| Date          | 17-05-2023  |
| Team ID       | NM2023TMID13133   |
| Project Name  | AuditAI: A Machine Learning for Detecting Fraud in Audit Data |
| Maximum Marks | 2 Marks   |

**Proposed Solution Template:**

| S.No. | Parameter                                | Description   |
|-------|--|---|
| 1.    | Problem Statement (Problem to be solved) | Fraud is a serious issue that have consequences for company and business. Fraud detection can prevent significant financial losses and protect the integrity of a company or organization. So, as we have to detect the fraud and scam using the data.  |
| 2.    | Idea / Solution description              | Using the Machine learning algorithm we can able to detect the fraud.<br>Especially using Logistic Regression Model, Random Forest Model, KNN, we can easily find the fraud happened in data.<br>Analyze the complete volume of structured and unstructured data that come from financial records by parsing data |
| 3.    | Novelty / Uniqueness                     | The fraud detection in audit data can be easily found through the machine learning algorithms.  |
| 4.    | Social Impact / Customer Satisfaction    | It prevents from significant financial losses and protects the integrity of a company or organization.  |
| 5.    | Business Model (Revenue Model)           | Random Forest Classifier, KNN, Logistic Regression Model  |
| 6.    | Scalability of the Solution              | Accuracy in the data, Speed in accessing in large amount quickly, Flexibility enough to adapt the changes in the data, Integration into the existing audits process and systems.<br>Identify anomalies such as unusual payments or activities that would not be caught by manual auditing.                        |