

**Samantha Bowling:** [00:00:00] When people take on new technology projects, or they're going to innovate something, they don't know where their place is after the technology is innovated. They think they're being replaced by technology. But if you just explain to them how they're working with that technology to make their lives better, and the job better, and that they're not being replaced, it's elevating them to the next level, then, they're less resistant.

**Peter Margaritis:** [00:00:30] Welcome to Change Your Mindset Podcast, formerly known as Improv is No Joke, where it's all about believing that strong communication skills are the best way in delivering your technical accounting knowledge and growing your business. An effective way of building strong communication skills is by embracing the principles of applied improvisation.

**Peter Margaritis:** [00:00:51] Your host is Peter Margaritis, CPA, a.k.a. The Accidental Accountant, and he will interview financial professionals and business leaders to find their secret in building stronger relationships with their clients, customers, associates, and peers, all the while growing their businesses. So, let's start the show.

**Peter Margaritis:** [00:01:19] Welcome to Episode 27. And my guest today is Samantha Bowling, who's an Audit Partner at the accounting firm of Garbelman Winslow in Upper Marlboro, Maryland. Also, Samantha is the current Chair of the Executive Board of the Maryland Association of CPAs.

**Peter Margaritis:** [00:01:35] Now, this episode is focused on public accounting, but it also has great implications to the business and industry accounting professionals. So, please listen to the entire interview and decide on how it affects your organization.

**Peter Margaritis:** [00:01:47] Now, in March of 2016, artificial intelligence was introduced to the accounting profession when IBM and KPMG signed an agreement to bring Watson into KPMG's audit practice. Many of the small- to middle-sized firms speculated that this technology was too expensive for their practices.

**Peter Margaritis:** [00:02:07] Samantha looked at it just a little bit different. She felt that if the larger firms had this advantage, how long would it be until they would start taking some of the small to middle-sized firm's clients? She turned that question into action, and 18 months after IBM and KPMG's announcement, Samantha was able to bring artificial intelligence into her audit practice at an affordable price.

**Peter Margaritis:** [00:02:34] Now, if you're little skeptical or just mostly curious, then keep listening, and you'll learn how she did it. It is absolutely fascinating.

**Peter Margaritis:** [00:02:43] I'm coming up on three years hosting this podcast, and a couple really cool things have occurred that I like to share with you. In May of 2017, I was speaking at a conference in Vancouver, British Columbia, and one of the attendees, Stephanie Gates, mentioned that she and her boss listen to my podcast. I believe my jaw hit the floor. After I reinstalled my jaw, I gave Stephanie a copy of my book, *Improv is No Joke*, and thanked her for being a faithful listener.

**Peter Margaritis:** [00:03:12] In December of 2018, I was an attendee at an Artificial Intelligence Conference in Tulsa, Maryland. During the session I asked a question. When the course is over, a gentleman walked over to me and asked me if I was Peter Margaritis. I hesitated. I wanted to say it depends, but I went, "Yes, I am." He said that he knew it was me because he recognized my voice. He gave me his business card, but, somehow, I have misplaced it. If you are listening to this podcast, please send me an email with your name and address, and I'm going to send you a copy of my new book, *Taking the Numb Out of Numbers*.

**Peter Margaritis:** [00:03:50] And in March of 2019, I was teaching an Ethics class at the Maryland Association of CPAs. When the class ended one of the attendees, John Littleton, came up to me and said that he listens to my podcast. Now, I didn't have a book on me, and I think I'm pretty sure I can get his address. So, I'm planning on sending him a copy of *Taking the Numb Out of Numbers*.

**Peter Margaritis:** [00:04:09] So, if anybody is listening to this podcast, sees me at a conference, a workshop, in an airport, or wherever, stop, and say hello, and let me

know that you listen to the podcast. I will give or send you a copy of my latest book. This is a version of networking taken to a whole new level. I look forward to meeting you all. And, now, a quick word from our sponsor.

**Sponsor:** [00:04:34] This episode is sponsored by Peter A. Margaritis LLC a.k.a. The Accidental Accountant. Are you looking for a high content and engaging speaker for your next conference? Do you want to deliver a story to stakeholders that will transform data dumping to engaging business conversations? Do you want to feel that the value a speaker provides your audience far exceeds the dollar value on their invoice? Then, book Peter for your next conference, management retreat, or workshop. Contact Peter at [peter@petermargaritis.com](mailto:peter@petermargaritis.com), and visit his website at [www.petermargaritis.com](http://www.petermargaritis.com). By the way, one of his Fortune 50 clients actually made the comment about the value he brings to your audience.

**Peter Margaritis:** [00:05:22] Before we get to the interview, I want to share with you that Change Your Mindset is now being distributed on C-Suite Radio. You can find Change Your Mindset and many other outstanding business podcasts on C-Suite Radio by going to [www.c-suiteradio.com](http://www.c-suiteradio.com).

**Announcer:** [00:05:42] This podcast is part of the C-Suite Radio Network. Turning the volume up on business.

**Peter Margaritis:** [00:05:47] Now, let's get to the interview with Samantha Bowling.

**Peter Margaritis:** [00:06:01] Hey, welcome back, everybody. I'm with my very special guest, Samantha Bowling, who is a partner in an accounting firm in Maryland. And we're recording this on March 15th. So, first and foremost, Samantha, thank you for taking time out of your incredibly hectic busy schedule to spend time talking with me today.

**Samantha Bowling:** [00:06:22] You're very welcome.

**Peter Margaritis:** [00:06:24] So, you've been busy lately or just kind of kickbacking bonbons and watching Ellen?

**Samantha Bowling:** [00:06:28] Just kicking back. No new tax laws, just hanging out.

**Peter Margaritis:** [00:06:33] I love the sarcasm. Very busy at this time of the year. And Samantha, if you could give everybody just a little bit of your background, so they can get to know you a little bit better.

**Samantha Bowling:** [00:06:45] Sure. I am a partner at a very small public accounting firm. This firm only has about 15 employees, depending on the time of year. And we really just, I guess, we do everything small firms do, except for government contracting. I am the audit partner at my firm. So, I'm in charge of auditing, but I also do individual corporate business, everything else. So, I've been here for 25 years. Start off as staff accountant and worked my way into a partner. This firm has been around for 75 years, and I hope it's going to be around for another 75 more years.

**Peter Margaritis:** [00:07:17] And the name of the firm is Garbelman Winslow and is located in?

**Samantha Bowling:** [00:07:22] Prince George's County, yeah.

**Peter Margaritis:** [00:07:24] Prince George's County, Upper Marlboro, Maryland. It's a small firm, but I will have to say you are very humble. Samantha, you left something out of your bio that is -- I mean, she knows what I'm going to say because she's got this grin on her face, this big wide smile. So, let everybody know this little bit of information that you left out of your bio?

**Samantha Bowling:** [00:07:49] Yes. So, I was nominated. First was I was nominated for Innovative Practitioner of the -- gosh, Innovative Practitioner of the Year, not of the world, of the year. It feels like the world, of the year in 2018 by cpa.com. And, really, that was for my experience in using AI in my audit practice that I started, basically, two years ago.

**Peter Margaritis:** [00:08:13] And you were nominated.

**Samantha Bowling:** [00:08:14] And then, I won. Oh yeah, I forgot. The big surprise, I won. Imagine that.

**Peter Margaritis:** [00:08:20] Yeah, imagine that. She was the winner of the Innovative Practitioner Award 2018. So, if you think about what you've done -- was that 18 months, 24 months ago, or something? -- where KPMG came out and said they've got an agreement with IBM to bring Watson to the audit practice. And everybody thinks, "Watson-KPMG. It must take a train full of money just to get that going." And you've said that you've got a small firm of only 15 people in Southern Maryland, and you won this award because you were able to bring artificial intelligence into the practice and make your auditing practice much more stronger.

**Samantha Bowling:** [00:09:04] Yeah, it's very exciting and fascinating because being a member of council for AICPA, I heard the speech three years ago about KPMG. And I thought, as an audit partner, I'm going to probably lose a lot of revenue because if the large firms have Watson and I don't have anything, I'm not going to be able to do auditing anymore. And then, I thought, "Well, what am I going to do? I really don't like tax. So, I have to find a solution."

**Samantha Bowling:** [00:09:28] So, I didn't think it would be really fair for the monopoly to be a large firm and doing auditing. So, I came back to my office, and started talking to my software providers, and asked them first how they're implementing AI in my platform. And they said they weren't. They were only going to look into it for the large platform, large firm platforms. Again, large firm a lot of money, willing to pay for it. And I'm like, "Oh, well, maybe I really won't be doing auditing."

**Samantha Bowling:** [00:09:56] So, then, I just did what everybody else does. I started Googling for an answer, for AI, affordable AI. And then, I just happened to come across a company called MindBridge. And I looked at their platform, and they said they were willing, as a startup company, willing to work with me and let me try it out to see if it really works. Because it was a Canadian company, they didn't really know how to get into the US markets. And I thought I can't afford this software. It's probably not going to

do what it says it's going to do. And salespeople tell you it's going to give you the world, and it does nothing. And then, you're just frustrated because it doesn't do anything you want it to do.

**Samantha Bowling:** [00:10:27] And I asked my managing partner if it was okay if I did this software. And he's like, "I don't think we're ready to go to AI yet. I mean, really, is that really here?" I'm like, "Oh, it's here. We're going to go." He's like, "If you want to try it, go ahead." And then, I did. And I was really just blown away of how it's going to transform the auditing world. And I'm really happy that it's accessible to everyone.

**Peter Margaritis:** [00:10:51] So, I have seen a demonstration. I was speaking in LA at an accounting conference, and one of their salespeople were speaking just before me. So, I get a chance to sit and ask him a lot of questions and learn about it. I've seen the demo. It's quite fascinating. Can you describe this process that you go through with your clients and basically just have an artificial intelligence?

**Samantha Bowling:** [00:11:16] Sure.

**Peter Margaritis:** [00:11:17] It points you in the direction that you need to look.

**Samantha Bowling:** [00:11:20] Well, the most fascinating thing is if you're familiar with auditing, it's all based on risk. It's a risk assessment in the beginning. And then, you figure out your testing based on what your risk is. And, really, to be honest, in the past, we were kind of guessing about risk. Especially if didn't know anything about the client, we, kind of, were just like trying to get information, trying this assess risk, but never ever do we have access to the risk at the transaction level, and that's where all the fraud occurs is at the transaction level.

**Samantha Bowling:** [00:11:48] So, what this software does is allows you to link your general ledger package directly to their platform. It analyzes every transaction that hits the general ledger, whether it's a disbursement deposit, credit card, anything. And it says, based on those control points that are already built in the software, like normal accounting control points, and then it has the machine learning built in on top of it.

**Samantha Bowling:** [00:12:11] So, it's that extra machine learning where it says, "Okay, I have a bunch of transactions. I learn a lot by having data. And then, what doesn't make sense based on what this data has told me over this time period?" And then, it takes the transactions and puts them into buckets - the high risk, medium risk, low risk buckets. So, you can target your testing, or your sampling, based on the highest risk transactions, and then work your way down.

**Samantha Bowling:** [00:12:36] So, if you don't have a lot of high risk, you move to medium risk, and then you move to low risk. And then, actually, in the low risk, you're doing -- The risk gets to the lowest transaction. So, it gives you a starting point. And I'm actually using it for risk assessment in the beginning of the audit to know how much risk is in this audit in the first place before I even either bid on the audit or even start working on it.

**Peter Margaritis:** [00:12:57] Interesting. So, you've got a bucket of high risk out there. So, naturally, you're going to look at all of those transactions in that bucket.

**Samantha Bowling:** [00:13:06] Yeah.

**Peter Margaritis:** [00:13:06] Your medium risk, do you look at price points, or what's the driver in that? Is that somewhat what you'd do with the low risk looking at those dollar amounts?

**Samantha Bowling:** [00:13:15] So, if you tell it you want your sample size to be 60 transactions, it automatically say, "Okay. We're going to pull all the high risks, then the next medium risk, and then the rest are going to come from the low risk." So, it will automatically do that for you. You don't even really have to do anything except for tell it how many transactions you want to look at.

**Samantha Bowling:** [00:13:33] Now, you can go through the sample and say, "Okay. This is not a high-risk transaction because I know this was a unique thing that happened this year in that entity. And you can discount it. So, then I'll remove it from this sample."

So, it's not doing the work for you. It's telling you where to start and using your professional skepticism to figure out what's your next move.

**Peter Margaritis:** [00:13:54] It's doing the work for you.

**Samantha Bowling:** [00:13:57] It's not doing it. Well, it's really not. It's doing the searching for you, like the risk analysis for you, but it's not doing the audit for you.

**Peter Margaritis:** [00:14:06] Right. But it's helping you to get there faster.

**Samantha Bowling:** [00:14:11] Yes.

**Peter Margaritis:** [00:14:12] So, there's all these children who are coming into our profession who will miss the experience of being locked in a conference room somewhere and digging through the bowels of a company through their files, looking for invoices, looking for source documents. They'll never experience that.

**Samantha Bowling:** [00:14:33] I'm so happy for them. I mean-

**Peter Margaritis:** [00:14:34] There's a rite of passage out there.

**Samantha Bowling:** [00:14:39] No. We're supposed to make it better for the people behind us, not harder. They're not supposed to suffer like we did. And, actually, I found by using the software that my audit team is actually learning as to why a transaction is high risk. They're actually learning for picking their sample as opposed to before, they hated looking at samples and didn't understand what they were doing, but they're actually learning from what the software is teaching them.

**Peter Margaritis:** [00:15:07] Wow. Okay. Well, I was going to go on a tangent and say, "At least, you get CPE for that," but I'll save that for later conversation.

**Samantha Bowling:** [00:15:15] Okay.



**Peter Margaritis:** [00:15:15] So, when you're younger, well, obviously, you're at the staff level. I would say a traditional age. So, they're loving the fact that they get get this technology, they're learning more about the profession, but they still have work that they have to do.

**Samantha Bowling:** [00:15:29] Of course.

**Peter Margaritis:** [00:15:29] And getting the audit together.

**Samantha Bowling:** [00:15:32] Yeah. And we're still looking at the documents that support the high-risk transactions, to make sure they really are substantiated, or we have documentation for it. So, we're still doing the work. We're just, actually, for once, looking in the right direction before we would guess. You haphazard sample and pray to God you get something that's wrong. And in the past, you just never, never knew. So, now, you're actually targeting your audit based on where all the risk is.

**Peter Margaritis:** [00:15:57] And within the program, is there a materiality factor in there?

**Samantha Bowling:** [00:16:03] I'm so glad you asked that because there actually is, but I have not been using it. I've said no materiality level. I want to see where all the risk is, and I don't care what the dollar amount is because our clients don't care. They don't care about materiality. They don't care about the fact that you're not looking at trends. Materiality before was to limit your size of the transactions you're looking at. That's all it was for because you didn't want to have a million transactions. Look, I had nothing to do with risk. But, now, that you're looking at the riskiest transactions, I don't think you should be using materiality.

**Peter Margaritis:** [00:16:35] Oh, I love it. I love it. Getting rid of the concept of materiality and being able to basically do 100% audit.

**Samantha Bowling:** [00:16:44] 100% risk-based audit, which is what we're supposed to be doing in the first place, if you think about it.

**Peter Margaritis:** [00:16:49] Well, that's the public perception. That's what we've been doing for years and years but, in reality, it hasn't been until now.

**Samantha Bowling:** [00:16:57] Right, right. Not until now.

**Peter Margaritis:** [00:17:00] That just makes the profession so much stronger.

**Samantha Bowling:** [00:17:03] I agree. I totally agree.

**Peter Margaritis:** [00:17:05] Yeah. So, is AI fraud-proof?

**Samantha Bowling:** [00:17:12] I would say nothing is fraud-proof because there's always manipulation of data. Like if somebody figures out this system, there's always going to be a manipulation of something in the data. So, if somebody, I think, eventually wants all of the systems start talking together. So, once you pull in like the AP and the AR ledgers, and match them to the general ledger, and then match them to the bank accounts, which was where we're going, we have all this corroborating information in one place. Right now, we're just doing the general ledger and some AR and AP. So, there's that crossover, but until we actually get a crossover with the bank side or the outside vendor side, maybe until that happens, I don't think it will be 100% fraud-proof.

**Peter Margaritis:** [00:17:56] So, are you describing just now blockchain, in essence?

**Samantha Bowling:** [00:17:59] Yes, I am.

**Peter Margaritis:** [00:18:02] And that's still down the road.

**Samantha Bowling:** [00:18:04] Yeah. I haven't gotten to that yet.

**Peter Margaritis:** [00:18:07] But there is a process right now that is in place, RPA, robotic process automation. Did I say that right?

**Samantha Bowling:** [00:18:12] Yes, you did.

**Peter Margaritis:** [00:18:13] Where these bots, per se, are doing the reconciliations of AR and AP in the same manner that you're doing the reconciliation, looking at the general ledger, looking for those high risk, importing the people in the direction of where they need to investigate.

**Samantha Bowling:** [00:18:31] Right. And we're actually going towards bots for bookkeeping in this summer. This summer, so I'll let you know how that goes.

**Peter Margaritis:** [00:18:39] Okay. So, you're looking at going to bots this summer.

**Samantha Bowling:** [00:18:42] Yes.

**Peter Margaritis:** [00:18:44] And for bookkeeping, for some of the smaller clients who may not be on a sophisticated GL system?

**Samantha Bowling:** [00:18:49] Yeah, who using like Quickbooks Online, or Xero, or things like that, or just desktop Quickbooks. Yeah.

**Peter Margaritis:** [00:18:56] Okay. So, I use Quickbooks Online. So, this bot could reconcile all of my accounts that are in Quickbooks, like my credit card, my bank statements, so on, and so forth.

**Samantha Bowling:** [00:19:06] Yeah. And it can send you a little e-mail that says, "We don't know where to code these transactions" because it doesn't have any learning. It doesn't have any history. So, if there's a new transaction I may not know where to code it. So, it will send you this little email that says, "We don't know where these things are supposed to go. Could you help us out?" And then, once you tell it, it will remember, and it won't ask you again.

**Peter Margaritis:** [00:19:24] Well, I think my Quickbooks does a little bit of machine learning because after certain transactions, in a while, it will automatically start put in some of those little bells and whistles.

**Samantha Bowling:** [00:19:32] No, that is not machine learning.

**Peter Margaritis:** [00:19:34] All right. Okay. Thank you for correcting me.

**Samantha Bowling:** [00:19:38] Well, I was corrected on it because I really always thought Quickbooks Online had some kind of AI. But no, that's just rules-based. It's rules-based. So, it sets up a rule. Once you tell it a transaction, it sets a rule. So, whenever it sees that rule at transaction, it knows we had this rule in place, it's always going to go there; as opposed to AI knowing that if you go to the grocery store, Safeway, it's usually groceries. If you go to a gas station and knows any gas station - Exxon, Shell, whatever - it knows it's gas. So, that's kind of the difference.

**Peter Margaritis:** [00:20:08] Okay. I got it, and it continues to. That was one thing when we're talking of AI, and I was listening to Amy Vetter do a presentation at a conference, and trying to go, "Wait, machines can learn?"

**Samantha Bowling:** [00:20:20] Yes.

**Peter Margaritis:** [00:20:21] But that concept was rally foreign to me, but after listening to her, and then hearing, I understand how the machine begins to learn. And, actually, I'm a Type 1 diabetic and the insulin pump that I have basically is a mini AI because it learns based off of algorithms and stuff on what my blood potentially can do based on this and that. And it's actually amazing. It's almost like having a real-life pancreas that I just wear my belt.

**Samantha Bowling:** [00:20:52] That's true. So, true.

**Peter Margaritis:** [00:20:55] So, you're going into bots because I see bots being a big asset in an organization. Now, what about your clients? So, that first client that you went

up to said, "You know what, this year, we're going to do something a little bit different. We want to download your GL into this artificial intelligence."

**Samantha Bowling:** [00:21:12] Well, so, and I was going to charge him for it. So, I wasn't going to eat the costs of the software because I saw the value in it. So, I went to my audit clients, and I said, "We had this engagement letter. This was the original fee for the engagement letter, I'm going to do a change order on this audit because I have a new staff on board and it's AI. Let me explain what this AI does."

**Samantha Bowling:** [00:21:37] And I said, "This is how we used to do an audit. We used to guess, look at your sample." And we tell them that every year when an audit is. "But this year I'm going to look at all the transactions. I'm going to base my sample on risks, so that you'll have a better feeling about what I'm actually looking at and what the audit is. I'm going to charge you a software charge for my AI helper. And then, next year, if you opt out..." I'm giving them a chance to opt out of AI. Then, my original thing is if you opt out of AI, it's going to cost you more because I risk your audit for me. But now, I'm to the point, if you're not going to use that, I'm not going to do your audit.

**Peter Margaritis:** [00:22:13] Oh, okay.

**Samantha Bowling:** [00:22:15] And I'm standing strong to that. So, I have had some new proposals for audits, and I'd say, "Well, before I even do your audit or even make a proposal, I'd have to put your ledger into my AI platform and figure out what the risk is. So, I can make an educated guess about the fee. So, nobody's surprised. I want to know at the beginning what I'm getting into. And then, you should now in the beginning how much it's going to cost you." And I've had two say, "No problem." And I've had one say, "No way." And I'm like, "Okay. Well, find another auditor. Just not going to do it."

**Peter Margaritis:** [00:22:43] Wow. I mean, that's a great pricing tool.

**Samantha Bowling:** [00:22:47] Yeah. And then, just think about all those things that you did in the past that you wish you would have billed more for because you knew

what you're getting into. And auditing is the worst place to get into that because you just really have no idea what you're getting into.

**Peter Margaritis:** [00:23:00] Yeah, especially with a brand-new client.

**Samantha Bowling:** [00:23:02] Right.

**Peter Margaritis:** [00:23:02] And why did you leave your other CPA? And there's not the full transparency of truth but-

**Samantha Bowling:** [00:23:09] Of course.

**Peter Margaritis:** [00:23:10] ... being able to take that GL and dump it in, but, "Oh okay."

**Samantha Bowling:** [00:23:13] Now, I know why. Now, I know why you left your other CPA.

**Peter Margaritis:** [00:23:18] And now, do we, as a firm, want to take this client on because of the risks? There is a risk reward pricing component.

**Samantha Bowling:** [00:23:25] Yeah.

**Peter Margaritis:** [00:23:25] But I would assume, at some point, if you get something that's extremely risky, it's "No way Jose."

**Samantha Bowling:** [00:23:32] Yeah, exactly.

**Peter Margaritis:** [00:23:33] How else are you using this?

**Samantha Bowling:** [00:23:35] So, the only two ways that we've been using it is for a risk assessment, new audits, and then our sampling, our audit sampling. We want to start using it for like outsourced CFO, for internal audit departments to say, "Hey,

where's your risk? Don't you want to know what your risk is before your auditor comes in?" Because this would be a great tool for controllers because they don't have time to look at everything that their staff do, and they just don't have time. So, if they could actually just look at the riskiest things, wouldn't that be great for them?

**Peter Margaritis:** [00:24:03] Yeah, it would be.

**Samantha Bowling:** [00:24:06] Yeah. So, we haven't done anything with it, to be honest, except for the auditing side. But there is so much potential for this software that, I think, it can be used in our review engagements that we have. Just to look at them just to say, like another service like, "Where's the risk in your general ledger? Do you know what your bookkeepers doing, or do you not know what this person's doing, or are there really risky transactions in there that you should be aware of?"

**Peter Margaritis:** [00:24:32] You could use that just with non-for-profits. In the news, there's some lady that had been embezzling for years from some not and finally got caught 10 years later.

**Samantha Bowling:** [00:24:42] Yeah.

**Peter Margaritis:** [00:24:43] AI would have caught her.

**Samantha Bowling:** [00:24:43] That year that it happened because if you have -- I'll give you a perfect example. So, I had a nonprofit. This is a real example. I had a nonprofit who was paying rents, normal rent. Their rent does not fluctuate every month. For some reason, one month, they paid like, I don't know, let's say \$4000 more than they would normally pay for rent. So, MindBridge automatically said, "Well, this is a high risk because it doesn't match what I've learned every month of what their rent would be for this organization. So, I'm going to say it's high risk." So, it automatically pulled that transaction as high.

**Samantha Bowling:** [00:25:18] And then, the one time, they paid the wrong vendor is because somebody was in -- the new person at their accounting department paid

somebody else's bill a total accident. But it flagged the transaction because it knows when you pay your rent, it's always this person. The fact that you paid somebody different is a red flag, and you should really look at that transaction. So, that one got caught. I knew what fraud you're talking about. That would have caught that because all these people kept changing vendors for the same classification of expenses.

**Peter Margaritis:** [00:25:46] Interesting. So, are you using this on all of your auditing clients, AI?

**Samantha Bowling:** [00:25:54] Yeah. And I do nonprofits. Those are my audits, which is a lot of risk because you have a bunch of people that change over, there's different board of directors. And so, when I didn't turn on the materiality, the funniest thing, you'll will love this, I got one transaction that was, I don't even know, like \$87. I'm like, "Who cares? It's \$87." I'm like, "Whatever. It's in high risk. I'm going to look at it." So, I asked for documentation on the \$87, and they're like, "Oh well, this was a personal charge from an officer on the nonprofit's credit card." I'm like, "Oh really?" I'm like. "Why did it pick this?"

**Samantha Bowling:** [00:26:30] Because the AI learned all the credit card transactions never was this vendor ever charged on a credit card. And, obviously, it was a personal expense. So, what did I do? pulled all the credit card statements from this officer to find out how many personal expenses, and there were a ton of them on this person. It's very easy to do. I'm not saying it was intentional because you pulled up wrong credit card when you're somewhere or whatever.

**Samantha Bowling:** [00:26:54] But just think if that wasn't caught, how long that would have gone on? And then, what would have that led to because they would have thought, "Well, it's not material because they're looking at the stuff that's under -- I don't know, Over \$50,000 which..." they know know that there's a materiality amount. So, they know that. People know that there's a materiality now. So, they know you're not looking at the stuff that's below that.



**Peter Margaritis:** [00:27:13] Oh my God. Just think about the expense report fraud that could be uncovered.

**Samantha Bowling:** [00:27:17] Yes. Like the duplicate of reimbursements. Exactly, yeah, yeah.

**Peter Margaritis:** [00:27:22] Yeah. I'm going to submit my receipt. Here's a copy for you guys to submit. And it's the same thing. Yeah. That would almost just vanish. That would be a fun summer project to do is to do AI. And I would think that these large organizations are doing that right now.

**Samantha Bowling:** [00:27:41] I would hope so because it's definitely an amazing tool. And the money they would invest in the software would save them money probably in the fraud that was covered.

**Peter Margaritis:** [00:27:51] Now, within your firm, only your clients are being used for AI with MindBridge. What about the other partners in the firm?

**Samantha Bowling:** [00:28:01] Well, none of my other partners do audits. They like to stay away. They don't want anything to do with auditing.

**Peter Margaritis:** [00:28:05] So, those are the tax guys?

**Samantha Bowling:** [00:28:09] Yes. So, they're all doing tax. And some of them do some bookkeeping work and compilations, but most of them are doing tax work.

**Peter Margaritis:** [00:28:17] Okay. So, let's just say you take this, and AI will never come into the tax world at all?

**Samantha Bowling:** [00:28:22] No, I didn't say that.

**Peter Margaritis:** [00:28:23] No. That was sarcasm on my part.

**Samantha Bowling:** [00:28:27] Oh yeah, okay. I told them, "Eventually, you might want to find some other career because that's going to be automated."

**Peter Margaritis:** [00:28:31] At least, from the W2, the individual personal returns, those are going to be -- And I would love it because I still haven't got my tax stuff together. And I know my CPA started to scream at me versus just having it all go into some place, and I don't have-

**Samantha Bowling:** [00:28:52] So, what really happened is the IRS will send you a bill, and say, "This is your tax bill. Do you agree or don't you agree?" And if you don't agree, go see a CPA to fix it. It's where I think it's going to end up because they're-

**Peter Margaritis:** [00:29:02] Interesting.

**Samantha Bowling:** [00:29:03] Because they're already getting the documents electronically. They are. It's just a matter -- they don't have, I don't think, the sophisticated systems to compile all that information actually.

**Peter Margaritis:** [00:29:14] Yeah, like a Schedule C.

**Samantha Bowling:** [00:29:15] Right.

**Peter Margaritis:** [00:29:16] Yeah.

**Samantha Bowling:** [00:29:16] But that will be later. But with the W2s and the basic returns, that definitely could be all done by the IRS.

**Peter Margaritis:** [00:29:23] Yeah. And I believe that's sooner than later that that-

**Samantha Bowling:** [00:29:28] That will be in my career, I guarantee it within the next 5-8 years.

**Peter Margaritis:** [00:29:33] I was going to say three to five.

**Samantha Bowling:** [00:29:35] That would be awesome. I hope so.

**Peter Margaritis:** [00:29:38] So, here's a question because when you think of CPA, and thinking of what we do, and you think about artificial intelligence, will we still have the need for Excel?

**Samantha Bowling:** [00:29:50] That's a good question. I guess, it depends. I would say yes until -- if you look at a lot of our clients, they are using these legacy platforms. Even larger clients are using legacy platforms. So, in order to get their information into these AI platforms, they have to go to Excel first because their systems are so antiquated, they can't get it to the AI platform. So, we're going to still need Excel.

**Peter Margaritis:** [00:30:16] Okay, for a little bit longer.

**Samantha Bowling:** [00:30:19] Yeah.

**Peter Margaritis:** [00:30:19] Okay. All right.

**Samantha Bowling:** [00:30:21] Yeah.

**Peter Margaritis:** [00:30:21] So, let's change gears for a moment. You are currently the Chair of the Executive Board for the Maryland Association of CPAs.

**Samantha Bowling:** [00:30:27] I am. A huge honor.

**Peter Margaritis:** [00:30:28] Technically -- Tom Hood, I hope you're listening. Technically, you're Tom Hood's boss.

**Samantha Bowling:** [00:30:35] I can't even fathom that. I feel like he's definitely my boss. I worship and honor him, yeah. So, I follow him. I will follow him wherever he goes.

**Peter Margaritis:** [00:30:43] And it doesn't surprise me that somebody who's been on the board and has been around Tom for such a long time saw this opportunity and jumped on AI because Tom's been preaching about it, talking about it way before the AICPA even put it on the agenda. He's one of those rare visionaries out there that has done wonders for the profession.

**Samantha Bowling:** [00:31:09] Yes, he has.

**Peter Margaritis:** [00:31:10] So, as being chair, and you've mentioned you're part of AICPA Council, what's accountants talking about these days? What's out in our future? What's keeping AICPA awake at night?

**Samantha Bowling:** [00:31:23] I think they're their biggest concern was, will small firms be able to adapt? Well, I mean, because Tom's been preaching for 20 years that you need to innovate, you need to use technology. And a lot of small firms, kind of, ignored that.

**Samantha Bowling:** [00:31:39] So, I think their biggest concern is small firms and will they remain relevant, because they don't really want all the large firms doing all the work either. They want small firms that have the same opportunities. And I think they were really surprised that the AI platform was available to me at this early stage. So, I think that's keeping them up at night because a large number of their membership is sole proprietors and small firms, believe it or not. That's what makes up the accounting profession, the public accounting.

**Peter Margaritis:** [00:32:10] So, I can lay this in one or two ways. Either they're going to adapt to technology-

**Samantha Bowling:** [00:32:15] Or they're going to close our doors.

**Peter Margaritis:** [00:32:18] Or -- well, firms like yourself take a strategy and say, "Maybe we can grow and start buying other firms."

**Samantha Bowling:** [00:32:30] I did that once. I'll never do that again.

**Peter Margaritis:** [00:32:33] She wasn't adamant about that at all. I'm going to have to go get my hearing fixed here in a second.

**Samantha Bowling:** [00:32:41] I will not even venture. They're not paperless. Like if there's a firm out there, a small firm that has paper and file cabinets, their firm is not worth anything. And I'm not putting the work into it to convert them to where they should be. I did it once, and it was a lot of work. And I don't know if the benefit was really there and the clients that we retained from that.

**Peter Margaritis:** [00:33:03] So, growth from a small firm like yourself is just word of mouth, and bringing in more clients, and growing organically, per se, and hiring more folks.

**Samantha Bowling:** [00:33:16] Yes, that's true. Most of our work is from referrals, word of mouth.

**Peter Margaritis:** [00:33:20] Okay. So, how has AI changed the way your staff have to integrate. There is less bean counting, per se, number crunching, and there's more communication.

**Samantha Bowling:** [00:33:37] The problem is our clients are not where they should be either. So, we're trying to move with them, like kicking and screaming into the 21st Century. So, as you can imagine, our firm that's been around for 75 years, has clients that have done paper, who have handwritten journals, who still handwrite checks that refuse to move into the 21st Century.

**Samantha Bowling:** [00:33:57] So, now, our responsibility is to get all of our clients, since we're where we should be, I feel, for now anyway, for today, of course, it can change tomorrow, is getting our clients to where they should be, and being innovative, and not being afraid to grab on to technology, and realize how really good it is for them.

**Peter Margaritis:** [00:34:15] Why is everybody so fearful? I mean, I think -- I'll use my wife as an example. She's a general manager for Macy's for 25 years at the huge store here in the Columbus area. She's more fearful of technology. Actually, so much so that her boss once called her technically Amish.

**Samantha Bowling:** [00:34:38] That's great. I've never heard that.

**Peter Margaritis:** [00:34:40] Technologically Amish. But if you don't adapt to -- we're never going to go back. We're not going to go back to the flip phone.

**Samantha Bowling:** [00:34:52] I think the problem is when people take on new technology projects, or they're going to innovate something, they don't know where their place is after the technology is innovated. They think they're being replaced by technology. But if you just explain to them how they're working with that technology to make their lives better, the job better, and that they're not being replaced, it's elevating them to the next level, then they're less resistant. I think they're afraid of being replaced by the terminator or something. I think what's happening.

**Peter Margaritis:** [00:35:21] Right. And it, also, could go to the culture of the organization as well.

**Samantha Bowling:** [00:35:27] Yeah.

**Peter Margaritis:** [00:35:27] There was a firm here in Ohio that they gave training because they wanted to automate. This was some years ago. Instead of getting a report, typed it into Excel, to upload it into Excel. The workforce was heavily baby boomer and heavily millennial. And few of the baby boomers think they had training but were fearful of saying, "I didn't get it. I didn't understand." And they went back to what they were doing before. And, ultimately, they were fired. So, I think I also go to within how much the C Suite, per se, has embraced that technology.

**Samantha Bowling:** [00:36:03] Yeah.

**Peter Margaritis:** [00:36:04] And communicated the benefits.

**Samantha Bowling:** [00:36:06] And I also think -- so, let's say somebody is intimidated by technology. Maybe they're not the ones manipulating the data in the technology. They're using the higher-level staff that's doing the analytical from the reports that was done. So, these millennials can whip, snap, whatever, generate anything in the report. And they run circles around me. So, they can do 10 times faster than I can. So, figure out what people's strengths are. Let them do that part. And then, maybe the more resistant people just analyze the results and don't have to be involved with getting the technology to work.

**Peter Margaritis:** [00:36:39] But it's getting them to -- it's really getting them to understand that they are not -- We can't say that all the time they're not going to be replaced because I think some folks will be replaced.

**Samantha Bowling:** [00:36:53] Bookkeepers will be replaced, for sure, but I have bookkeepers in my office. So, the stuff that they will be replaced, they don't want to do anyway. They don't want to be coding checks. They don't want to be doing any of that crap. So, the fact that the bots are going to take that over for them, they're a thrill because they know they're going to learn more by actually looking at the reports, looking at the transactions, and figuring out what a financial statement means. So, they're happy about it. They don't want to be doing all that manual work. They really don't.

**Peter Margaritis:** [00:37:19] And the ability to use bots in a bookkeeping firm, it's pretty much here.

**Samantha Bowling:** [00:37:26] Yeah. Oh, it's here. Oh, it's here. Oh, it's here. It's totally here.

**Peter Margaritis:** [00:37:29] Yeah, yeah. She just laughs at the old time, Jody Padar.

**Samantha Bowling:** [00:37:35] Yeah, she's my friend.

**Peter Margaritis:** [00:37:37] Yes, Jody. And I interviewed her a couple of years ago, and she's talking about bots and stuff, I'm like, "Huh? I don't get it," And then, I saw her at the dinner that night, before the summit, and she is partnering with Botkeeper.

**Samantha Bowling:** [00:37:54] Yes, she is. That's an amazing thing. So, I'm really excited for her. I mean, we've probably met when she first took over her dad's firm and was trying to get everything paperless. And I had told her that's when I first went into the cloud platform of accounting software a long, long time ago. That's a whole another story. But she's like, "Why did you do that?" I said, "Because I had a client that went to jail, and I had to be able to do their stuff for them while they were gone. So, I wanted to be [inaudible] as to everything." But she's like, "What? Are you talking about..." "Yeah, yeah."

**Samantha Bowling:** [00:38:26] So, technology's always been my friend, always. It's given me the advantage. It's giving me opportunities. It's never -- I mean, I've picked bad offers in the past, but you fail fast. If it's not working the way you think it's working, and then move on, find the next one that's going to work for you.

**Peter Margaritis:** [00:38:45] And I know you have a real close relationship with MindBridge because they ask you a lot of questions on how they can improve their software, which has got to be -- and do you go out and speak on their behalf at times?

**Samantha Bowling:** [00:38:58] Sometimes. I've gone to that, I got invited to the Canadian Embassy this past year just to listen. They wanted some people locally that were using this offer to come because they're kind of doing their software pitch. I wasn't supposed to speak, but when I got there, I guess there were some reporters there that were saying, "You're salespeople. We don't really understand what you're talking about. We need to talk to your customer, one of your customers."

**Samantha Bowling:** [00:39:21] And, of course, I happened to be there. Like, "Oh, we have one here. Would you like to talk to her?" So, I have volunteered to speak but not really. And I do blogs for them, just so other people know how I'm using the software



because I think a lot of small firms think that they don't have access to the technology. So, I want to make sure that they do have access and kind of explain in auditing terms what it's going to do for them.

**Peter Margaritis:** [00:39:44] So, by doing this, and people hearing about you, did you email blow up? Is your phone ringing off the hook? Are you the go-to person for small businesses at AI?

**Samantha Bowling:** [00:39:56] Pretty much. Yeah, I can always tell when Tom Hood is traveling because the next day, I'll get like -- I don't even know -- 40 emails or something about, "I heard Tom Hood is speaking or whatever. And I heard you're using AI," and da, da, da, da, whatever. Yeah. So, I'm more than happy to talk to anybody about it because I feel like the more we talk about it, the more small firms get involved with it, and the better we are as a profession.

**Peter Margaritis:** [00:40:21] And full transparency, that presentation I did out in LA, Tom was already booked. So, they asked if I would go do this. And I said, "Yes, I would." And I'm reading this, going through the stuff, and seeing this firm, Garbelman Winslow, and trying to put -- what? Trying to get my head wrapped around it. I got it wrapped around enough.

**Peter Margaritis:** [00:40:41] And then, I put it all the other way. "Wait, you're the person at the firm with the AI and the MindBridge." And then, it all came into fruition. And hearing them speak then, hearing them and you speak at the AI Conference in Maryland in December really helped me understand more about how AI will help a firm or help my company, and a lot of times, will not replace, but they're there to help us do our jobs better.

**Samantha Bowling:** [00:41:14] Exactly. It's helping us do what we should have been doing all along.

**Peter Margaritis:** [00:41:18] But we just didn't have the technology.

**Samantha Bowling:** [00:41:19] We didn't have the technology to do it, yeah.

**Peter Margaritis:** [00:41:21] Moore's Law hadn't quite caught up to where we are today. And so, how do you see this five years from now? I mean, I remember Jody saying, "We'll have bots on our desks soon." And I just kind of laughed at her. And I think she said I have to be careful who's in the room because like, "Do you have Alexa?" on my desk. I said yes. "That's basically a bot."

**Samantha Bowling:** [00:41:48] I have. I'm showing you my -- it's my Alexa.

**Peter Margaritis:** [00:41:48] Hi, Alexa. I'm getting that. I'm playing with that and Google Home trying to figure out which is the best one. And, actually, from the speaker's perspective, Amazon, just Amazon blueprint, well, you can go out and program your own Alexa. And I'm in the process of doing that because I want my Alexa to do my introductions from now on.

**Samantha Bowling:** [00:42:12] Sweet. That's exciting.

**Peter Margaritis:** [00:42:13] Yeah. There's some neat stuff that's going on out there, but as it relates to the accounting world, what's next? Is it blockchain? Is that what's, ultimately, the missing component that ties everything together?

**Samantha Bowling:** [00:42:26] I think so, especially with more of the currency, electronic currency, they're going to have to use blockchain to validate all this stuff. And that's definitely going to be in our future. Now, small firms might not see that right away because we don't have as many international companies that were auditing, but it's definitely the next thing.

**Samantha Bowling:** [00:42:43] But I am curious to see where the line is going to go between fraud audits and regular audits because I'm really worried about, what if I do this audit, and I find fraud or frauds, like serious fraud? Because I'm not doing fraud audits. I'm doing gap audit. So, if I came across something that I thought was a

fraudulent transaction, in the past, I would have my client hire a forensic auditor because I didn't have the knowledge to do it.

**Samantha Bowling:** [00:43:09] But is the AI going to be my forensic auditor, or is there going to be no lie now between gap and forensic auditing? Is it just going to be auditing? I don't know. I don't know where that's going. So, I'm kind of curious to see where that's going. And I'm anxious for our standards to catch up to where we need to be, so that I don't have to keep looking at all these facts when, really, it's just to be based on risk.

**Peter Margaritis:** [00:43:33] Right. And that's interesting. So, what fraud oddity. Forensic accounting just be accounting.

**Samantha Bowling:** [00:43:42] Yeah, just be auditing.

**Peter Margaritis:** [00:43:43] Just be auditing. Just [crosstalk].

**Samantha Bowling:** [00:43:43] It's part of the audit. It's just of the audit.

**Peter Margaritis:** [00:43:48] That is interesting insight. How will that transpire?

**Samantha Bowling:** [00:43:53] I don't know.

**Peter Margaritis:** [00:43:54] Huh. Anybody at AICPA made any comments about that?

**Samantha Bowling:** [00:44:00] Not that I'm aware of, no, not yet.

**Peter Margaritis:** [00:44:01] Not yet. Not yet.

**Samantha Bowling:** [00:44:01] No. I'm going to New York actually on Monday. So, I'll bring it up. I have a council meeting in March in New York.

**Peter Margaritis:** [00:44:14] Yeah. In Ohio, we will either go to Chicago or to New York. And a couple of times, we went to New York. I like New York better. Yeah, it's-

**Samantha Bowling:** [00:44:23] It's a nice change of scenery.

**Peter Margaritis:** [00:44:25] Yeah. You should you ask Barry.

**Samantha Bowling:** [00:44:28] Yeah, I have to ask him.

**Peter Margaritis:** [00:44:28] "What do you think about this?" It'd be interesting to get his perception on it. I haven't thought about that. Now, I get something to ponder over the weekend and explore a little. How that transpire? Is there anything that you -- I have to ask this question. You're very busy. You're a very busy lady. I mean, all the stuff that you do, you have a family at home.

**Samantha Bowling:** [00:44:54] I have a husband and a dog.

**Peter Margaritis:** [00:44:58] A husband and dog.

**Samantha Bowling:** [00:44:58] Yeah. And a ton of nieces and nephews. Yeah.

**Peter Margaritis:** [00:45:02] So, I always ask whole piece. So, I interviewed the episode before this one, Kimberly Ellison-Taylor.

**Samantha Bowling:** [00:45:10] Kimberly, yes.

**Peter Margaritis:** [00:45:11] Ellison-Taylor. And she's got three kids, and a husband, and she's all over the place. And even just having a relationship and in this profession, it's challenging for what you do. So, I don't know. I never met your husband. I don't know his name, but I want to give a big shout out to him.

**Samantha Bowling:** [00:45:28] His name is David. And you should because he's sacrificed a lot, and he is a great support. I could not have done everything that I've done without his support.

**Peter Margaritis:** [00:45:38] So, David, congratulations and keep up the good work. I mean, your wife is doing some fabulous stuff here. And you get to tell me the name of the dog.

**Samantha Bowling:** [00:45:48] Cooper.

**Peter Margaritis:** [00:45:49] And what kind of dog is Cooper?

**Samantha Bowling:** [00:45:52] He's a Yellow Lab.

**Peter Margaritis:** [00:45:54] Oh.

**Samantha Bowling:** [00:45:54] So sweet.

**Peter Margaritis:** [00:45:56] My wife cannot listen to this episode because we have a black and a chocolate Lab.

**Samantha Bowling:** [00:46:01] They're the sweetest dogs.

**Peter Margaritis:** [00:46:02] She's always a blonde Lab.

**Samantha Bowling:** [00:46:04] She can borrow mine anytime.

**Peter Margaritis:** [00:46:08] Yeah, they are. They're great dogs. They're excited to see every time you come home, and they'll almost eat anything in sight.

**Samantha Bowling:** [00:46:14] Yes, they will.

**Peter Margaritis:** [00:46:16] Well, Samantha, thank you so very much. I've enjoyed our conversation. I applaud everything that you're doing, and bringing smaller firms into the 21st Century, and hopefully beyond. If I could ever help you with anything, please don't let me do your taxes or anything like that, but if I can be of any assistance, please don't hesitate to contact me. And I wish you all the best luck. And you still have -- It's like 3:14 p.m. Eastern Standard Time. She still has a more hours of work to do today.

**Samantha Bowling:** [00:46:43] If I'm lucky, it's only eight.

**Peter Margaritis:** [00:46:48] Thank you very much.

**Samantha Bowling:** [00:46:49] Thank you.

**Peter Margaritis:** [00:46:56] Now that you listened to this episode, what are your next steps in the pursuit of new technology into your organization? Will you take CP and focus on the latest technology? If so, then, look for courses being taught by Amy Vetter. Amy is an expert in this field, and I interviewed her on my very first episode of Change Your Mindset Podcast, which was formerly known as Improv is No Joke.

**Peter Margaritis:** [00:47:20] Or will it be to learn more about how AI can assist you in your business? If I may suggest, go visit MindBridge's website at [mindbridge.ai](http://mindbridge.ai). Full transparency, I'm not being paid or receiving any compensation for this suggestion. I've seen the demonstration, and I attended the AI Conference that they spoke about this technology, and it was fascinating.

**Peter Margaritis:** [00:47:50] Thank you for listening. And if you're enjoying this podcast, please subscribe and share this episode with a friend. Also, please visit [www.c-suiteradio.com](http://www.c-suiteradio.com) and listen to many of the excellent business podcast that they have in their network. Thank you.

**Announcer:** [00:48:11] Like what you just heard? Because it's [c-suiteradio.com](http://c-suiteradio.com). C-Suite Radio, turning the volume up on business.