

Review of: "Application of Data Mining Combined with K-means Clustering Algorithm in Enterprises' Risk Audit"

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Potential competing interests: No potential competing interests to declare.

The paper titled "Application of Data Mining Combined with K-means Clustering Algorithm in Enterprises' Risk Audit" addresses the application of data mining techniques, specifically the K-means clustering algorithm, in the domain of risk audit within enterprises. Risk audit is a critical aspect of business operations, aiming to identify, assess, and mitigate potential risks that may impact the organization's objectives. Traditional risk audit methods often rely on manual processes and subjective assessments, which can be time-consuming and prone to biases. In contrast, data mining techniques offer the potential to automate and enhance the risk audit process by analyzing large volumes of data to uncover patterns and anomalies indicative of risk.

The paper provides a comprehensive overview of the application of data mining in risk audit, focusing specifically on the utilization of the K-means clustering algorithm. K-means clustering is a popular unsupervised learning algorithm used to partition data into distinct clusters based on similarity criteria. The authors propose a methodology that integrates data mining techniques with traditional risk audit practices to improve the efficiency and effectiveness of risk identification and assessment.

One of the significant contributions of the paper lies in its demonstration of how data mining, particularly K-means clustering, can enhance the risk audit process. By analyzing various types of enterprise data, such as financial records, transaction logs, and operational metrics, the proposed approach can identify clusters of activities or entities exhibiting similar risk profiles. This allows auditors to prioritize their efforts and focus on high-risk areas, thereby optimizing resource allocation and improving audit outcomes.