



Solution Overview

Procure-to-Pay Overview

Procurement Fraud

The purchase to payment process (P2P) remains one of the most complex business processes, often spanning multiple systems and operations. Despite the level of automation, including enterprise resource planning (ERP) implementations, P2P remains an area prone to fraud, money leakage and inefficiencies. ERP systems are by nature, platforms for continuous business improvements. However, as ERP systems evolve to accommodate changes in business processes and policies, the internal control environment may become compromised and deteriorate as a result of the very changes introduced to initially help the business.

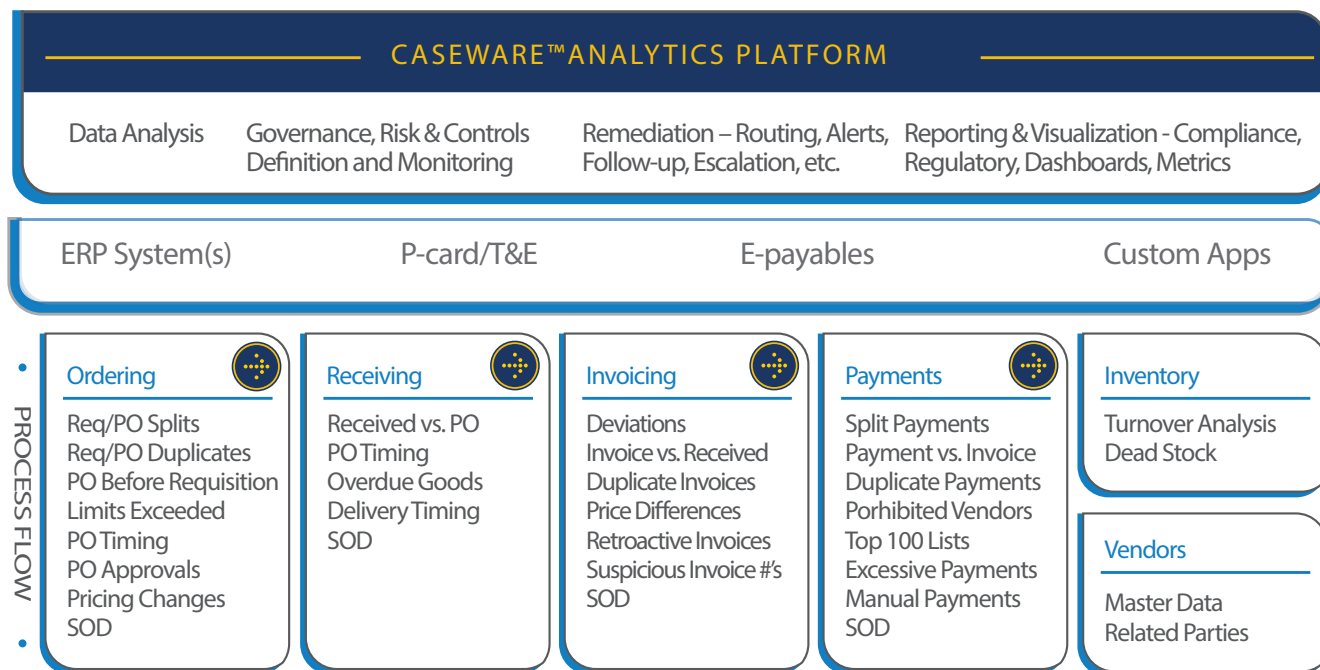
Overpayments, false invoicing and theft of inventory remain as major sources of fraud, both internal and with external suppliers. Interestingly, it takes an average of 342 days to detect a fraud, at which point 89% of all proceeds are unrecoverable. For the average organization with \$1.5M in fraud per year, \$1.34M is lost. These challenges are a source of major frustration for Senior Management in their efforts to gain full visibility into the P2P process.

CaseWare™ Analytics Procure-to-Pay Monitoring

With CaseWare Analytics, Management is provided with an independent point of observation over its P2P business processes. Any P2P process can be monitored, regardless of the underlying systems, data sources or locations. In a single analytics platform, data from these disparate sources are consolidated and the anomalies are presented for management to review. The analytics platform provides insight into the overall health of procurement controls from Requisitioning through to Payment as well as Segregation of Duties and Vendor Master Data.

You can employ automated and repeatable analytics for immediate fraud detection plus manage and track anomalies from initial detection to resolution. With automated monitoring, Business Process Owners are able to reap significant cost savings by identifying and resolving issues at source, rather than during periodic audits. The organization also gets the added intelligence of identifying root causes that can now be addressed to help with overall improvement of the procurement process.

Figure 1 - CaseWare™ Analytics Procure-to-Pay Platform



Solution Benefits

Identify and Resolve Control Failures Closer to the Point of Occurrence

Bring cost recovery savings in-house by identifying and resolving control failures as they occur, thereby improving recovery rates and lessening reliance on post-recovery audits.

Fewer Improper Payments

Immediately detect fraudulent, erroneous or duplicate payments. Avoid business transactions with unapproved or potentially duplicate vendors.

Collaborative Framework

Assign control breakdowns to the right personnel via an integrated workflow and escalation path, to ensure accountability and issue resolution.

Sustaining Compliance While Implementing Change

Introduce business changes with confidence knowing that you have a bird's eye view of all application and process controls. Let day-to-day operations run their course by allowing for known control deficiencies while continuously monitoring for its abuse.

To ensure that policies and rules are followed, many ERP and financial applications have built-in internal controls with simple gated logic. However, the existence of these built-in automated controls does not ensure that they are turned on, that they are configured appropriately, and that they are not regularly overridden or bypassed — thus establishing the need for a solution that can monitor these controls.

Gartner Transaction Controls Monitoring Can Improve Productivity and Financial Governance
November 2012

CaseWare Analytics Capabilities

24/7 Automated Analysis

Ongoing and automated analysis of all transactions within financial and purchasing systems allows you to discover anomalies immediately.

Supports Existing Systems

Support any business process on any system and data from any source, without additional infrastructure and integrate easily with any system:

- ERPs such as SAP[®], Oracle[®], Microsoft Dynamics, SunGuard, etc.
- Travel and Expense management systems such as Concur[®], etc.
- Purchasing card data such as Visa[®], Mastercard[®], AMEX
- E-procurement providers such as BuySpeed[™], Perfect Commerce, etc.
- Data analysis scripting tools such as IDEA[®], ACL[™] and Arbutus[™]

Workflow for Managing Issues/Anomalies

Once an anomaly is identified, alerts (equipped with resolution guidelines) are automatically sent to the business stakeholder who can remediate. The workflow engine is completely configurable and will result in a streamlined process including multiple levels of escalation, setting deadlines, adding supporting documentation, etc.

Procure-to-Pay Analytics

Inventory Analysis	<ul style="list-style-type: none">○ Dead stock analysis○ Top/bottom purchased items○ Highest/lowest turnover○ Excessive inventory level changes○ Price change impact
Invoicing	<ul style="list-style-type: none">○ Invoice made before Purchase Order○ Invoice does not match Purchase Order○ Invoice limits exceeded○ Invoice numbers sequence anomalies○ Invoices to prohibited Vendors○ Invoicing SoD conflicts

Procure-to-Pay Analytics (continued)

Payments	<ul style="list-style-type: none">○ Payments do not match Invoice○ Duplicate payments across payment systems (ERP, E-payables, P-cards)○ Split payments○ Rapid payments○ Gaps in check numbers○ Payment SoD conflicts
Purchasing	<ul style="list-style-type: none">○ Purchase Orders limits exceeded○ Split Purchase Orders○ Old Purchase Orders○ Duplicate Purchase Orders○ Purchase Orders do not match Requisitions○ Purchase Order SoD conflicts
Receiving	<ul style="list-style-type: none">○ Receiving vs. Purchased○ Receiving SoD conflicts
Vendor Management	<ul style="list-style-type: none">○ Potential duplicated vendors○ Vendors with invalid or missing information○ Vendor-Employee and other related parties matching○ Vendors removed/added○ Vendors on PEP, OFAC lists



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