SAP Concur Ⓒ

SAP® Concur® Solution Strategy | TipSheet

Fending Off Fraud

How Organizations Can Implement
Controls to Better Detect, Manage,
and Prevent Fraudulent Activity

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Why is fraud in the spotlight?

Fraud is on the rise. In fact, **51 percent** of organizations uncovered **more fraud** since the onset of the pandemic.[1] Organizations are needing to get more creative in how they gain control over employee spend and ensure compliance to better find the "red flags" of fraud. So how are organizations responding to this increase?

A bigger focus on technology investments.
Thirty-eight percent of organizations increased their budgets for anti-fraud technology, making this the most common area for increased investment.[1]

More "checks and balances" in play to verify and contain costs.
Organizations can verify expenses with more sources than ever (bank cards, TMCs, digital receipts, travel data, travel suppliers).

Increase in government regulations and compliance (i.e. FCPA).
The U.S. Foreign Corrupt Practices Act (FCPA) is hitting the headlines and boardrooms with increasing penalties and executives facing jail time.

Risk to reputation.
Organizations run the risk of losing confidence from shareholders, employees, and other stakeholders if they lack internal spending processes and controls.

Fraud is an enterprise risk.
It falls into the same realm as economic, supply chain, disaster, duty of care, and regulatory risks. This awareness heightens fraud within a company to get more attention from senior management, along with the proper resources to prevent and manage it.

Certified Fraud Examiners estimate that organizations lose

5 percent

of revenue to fraud each year.[2]

56 percent

Reduction in duration of a fraud scheme for organizations with a proactive data monitoring and analysis process in place.[2]

How can you see it all?

While fraud can seem like a complex issue, organizations can take these proactive steps to implement controls, identify red flags, and find the "needle" to unravel a broader scheme.

Use a preventative and detective approach.

Adopt a system that allows employees to submit expenses for preapproval, guide travel decisions with color-coded cues, and capture every itinerary, regardless of where it was booked. Additionally, do some detective work: use use a third party auditor, conduct random checks, and audit cash expenses.

Information is power.

Require an itemized reciept for purchases and set audit rules on those itemizations. This will allow your team to review individual transactions and look for patterns — imporant information can be gathered to help prevent policy and rule violations.

Mandate a corporate card program.

Expenses that are imported automatically into an expense management system ensure that travelers cannot modify or falsify their transactions. Also, the program admins can add additional controls, such as setting a credit limit, transaction limits, cash limits, or setting merchant or location controls.

Organize and share data to empower.

Understand how to organize your data to set configurations. Share easy to understand and actionable data with key, internal stakeholders to encourage healthy conversations about policy control.

Review common areas of concern.

Take a look at areas where policy violations are common, such as: volume of expense reimbursements, personal payments, top spenders, cash advances, high mileage, and lump sum tips. Then, benchmark your data, identify trends, and find the outliers to take action.

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Learn more ways to prevent and detect fraud with our eBook.

About SAP Concur

SAP® Concur® is the world's leading brand for integrated travel, expense, and invoice management solutions, driven by a relentless pursuit to simplify and automate these everyday processes. The highly-rated SAP Concur mobile app guides employees through business trips, charges are directly populated into expense reports, and invoice approvals are automated. By integrating near real-time data and using AI to analyze transactions, businesses can see what they're spending and avoid possible blind spots in the budget. SAP Concur solutions help eliminate yesterday's tedious tasks, make today's work easier, and support businesses to run at their best.

Learn more at concur.co.in or the SAP Concur blog.

[1] The Next Normal: Preparing for a Post-Pandemic Fraud Landscape, ACFE, 2021
[2] A Report to the Nations, ACFE, 2022

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