



Procurement fraud detection

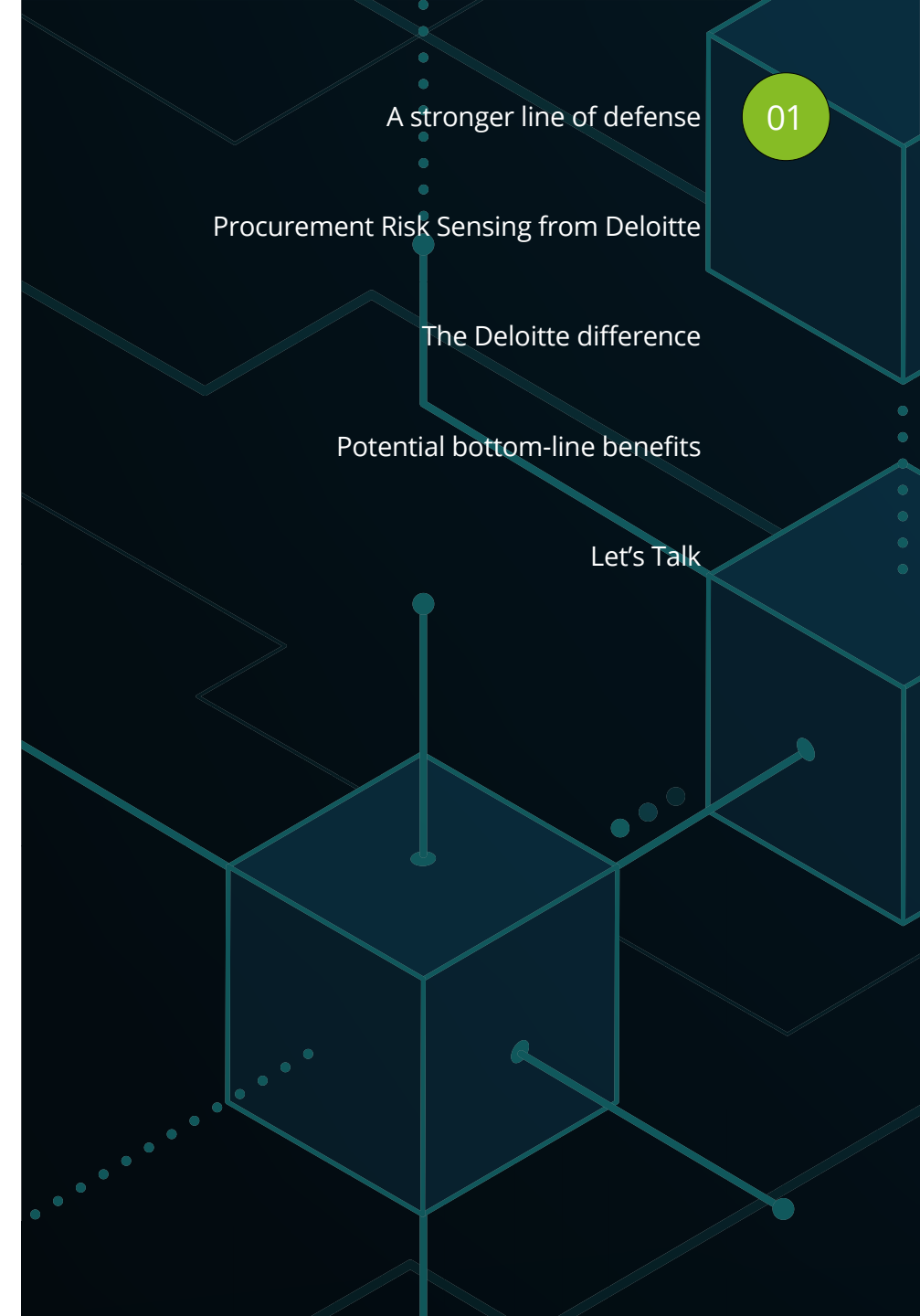
A stronger line of defense

Deloitte's procurement and AP risk sensing capabilities enlist digital data in the battle against fraud, error, and process bypass

Concerned about your organization's exposure to risks related to procurement and accounts payable (AP)? You're not alone. In both procurement and AP, practices have undergone a considerable amount of change in a short amount of time – they are more automated, more digital, happen more quickly, and reach into more places around the world than at any time before. The benefits of these advances are clear. But the impact on risk exposure is equally clear. Fraud or even simple mistakes can go unnoticed for days, weeks, or even months, and too often by the time they are identified, the damage is done. In fact, today the average procurement fraud case lasts for 18 months before being detected.¹

As procurement networks become more complex, they have outpaced the ability for human oversight to identify patterns of fraud, human error, and process bypass. But procurement has also become more digital. As a result, procurement processes and transactions are generating unprecedented amounts of data. That's where Deloitte's risk sensing solution for SAP® Ariba® comes in, introducing the ability to capture, analyze, and act on both SAP®-based and non-SAP data to alert companies to risks as they emerge.

¹ Source: 2020 Report to the Nations on Occupational Fraud and Abuse, Association of Certified Fraud Examiners



Procurement Risk Sensing from Deloitte

As consumers, we are all familiar with the alerts we receive from financial institutions such as banks and credit card companies when they identify potentially risky patterns in our accounts – an uncharacteristic transaction executed far from where we live may trigger an email or text to confirm that we intended to execute the transaction.

What if your procurement and accounts payable teams were able to receive the same sorts of alerts when suspicious activity takes place anywhere in your procurement network?

FOR EXAMPLE:

- **Overpaid purchase orders**
- **Purchase orders submitted without material contracts**
- **Vendor performance issues, as when vendor purchase orders are open but have lapsed the delivery time**
Purchase orders that remain open for a longer time without accompanying goods receipts (GRs)
- **Irregularities in account transactions and usage, such as entries made to seldom-used accounts, increased frequency of user postings, journal entries causing fluctuation in account balance, and more**
- **Irregularities in vendor data and transactions, such as duplicate invoices, vendors with invoice values under thresholds, vendors with similar names, and more**
- **Users of interest, identified when postings are made in certain user groups, when users make unexpected postings, and other potentially suspicious behaviors**
- **Segregation of duties (SoD), such as vendor payment SoD between vendor maintenance and processing invoices**

Deloitte's Procurement Risk Sensing solution uses a mix of advanced analytics, data management, machine learning, and other capabilities to help finance and procurement leaders identify fraud and other procurement risks, using the full range of procurement data coursing through the organization's SAP Ariba and other procurement systems every day. The result? Timely, targeted alerts that allow procurement decision makers to identify and address risks as they appear.

The Deloitte difference

Deloitte is a widely acknowledged leader in procurement risk management. We also have one of the largest and most comprehensive and awarded SAP practices in the world. Clients across industries depend on us for our deep, tested expertise in risk management. Our finance and procurement insight is valued by CFOs, controllers, AP, and procurement executives at the most successful organizations in the world. And we've put it all together to deliver features and capabilities for identifying, anticipating, managing, and reducing procurement risk, including:



Proactive and continuous monitoring



Near real-time risk prevention and detection



Business partner screening



SAP and non-SAP data assessment and tracking



Machine learning capabilities, including enhancement options to external data mining

Potential bottom-line benefits

We've helped clients put our procurement risk sensing capabilities to work in order to realize benefits such as:



Reduced risk



Dynamic identification of errors, financial drivers, and trends through automated processes and machine learning



Increased controls in financial transactions, plus greater efficiency through the detection of potential errors



Deeper, up-to-date visibility into procurement processes and transactions



Faster identification of procurement errors and fraud



Greater efficiency across procurement activities



Proactive monitoring and prevention

Procurement fraud detection

Let's talk

Does your organization need to strengthen its defenses against fraud, human error, and process bypass risk in procurement and AP in order to maximize efficiency and protect the bottom line? We can help you realize the full value of your SAP Ariba and non-SAP data to move from an inefficient, reactive approach to fraud management to a proactive monitoring and prevention model.

We've combined one of the world's largest and most advanced SAP practices with deep, hands-on experience in finance and procurement to deliver one of the most powerful procurement risk sensing solutions available today. And we can help you.

Just contact us using the information below – we would love to learn more about your organization and the risks it faces today.

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