The presentation will begin shortly. Audio will be streamed directly via your computer speakers. Enjoy the webcast!

SAP Concur
Updating your Fraud Mitigation Strategy to Meet Today’s Challenges
A Solution Series Webinar

Dottie Kennedy-Brooks | Value Consultant, Value Consulting, SAP Concur
Connie Hoen | Director, Growth and Strategy, SAP Concur
Dottie Kennedy-Brooks
Value Consultant
Why is Fraud in the Spotlight?

- Increase in regulations and compliance
- Risk to Reputation
Agenda

• Spend Management Strategies
• Typical Fraud Mitigation Strategies
• Updated Fraud Mitigation Best Practices
• How Artificial Intelligence / Machine Learning Works
• Questions
What we see Today
Spend Management
What we See Today

Purchase Card

Travel & Expense

Invoice
Best Practice – Combine Spend Channels

- Improved user experience
- Supporting 1 platform rather than multiple
- More timely total spend reporting and analysis
- Ease of auditing/review
Best Practice – Combine Spend Channels

- Improved user experience
- Supporting 1 platform rather that multiple
- More timely total spend reporting and analysis
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What we see Today
Fraud Mitigation/Audit
Typical Fraud Mitigation Strategy

39% Average of expense reports audited
## Typical Fraud Mitigation Strategies

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
<th>Cost/Resources/Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reactive</td>
<td>Only When Fraud is suspected; targeted review</td>
<td>• Low Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Low Resource drain</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Low effectiveness/High Risk</td>
</tr>
<tr>
<td>Random Sampling</td>
<td>Manual review of random sampling</td>
<td>• Higher Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Higher Resource drain</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Higher Effectiveness/Still Risky</td>
</tr>
<tr>
<td>100% Manual Audit</td>
<td>Team of auditors reviews 100% of expenses at the granular level for policy</td>
<td>• Least Risk</td>
</tr>
<tr>
<td></td>
<td>compliance</td>
<td>• Extremely High Cost/Resources Drain</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Most Effective</td>
</tr>
</tbody>
</table>
Results of the Typical Audit & Review Process

- Anomalies not checked
- Fraud is not uncovered until patterns emerge
- Behavioral analysis impossible
- 100% manual audit is cumbersome, time consuming
We Heard You!

85%

Customers surveyed who cited a need for greater insight to fight fraud
Best Practices for Comprehensive Fraud Mitigation and Policy Compliance

Automatically Review 100%
- Policy/VAT Compliance Check
- Receipt Substantiation / Review for legitimacy
- Fraud / Anomaly Pattern Detection

Provide Human Context
- Provide Additional Policy Compliance Checks
- Closely Review High Risk Expenses
- Assist with Machine Learning Improvements
Solving the Problem

✓ Quicker reimbursement and payments
✓ Increased Efficiency through reduced processes
✓ Significant Increase in productivity for Managers/Auditors
✓ Dramatic improvement in finding mistakes/anomalies
✓ Maximum Effectiveness with Minimal resource drain
✓ Review 100% of expenses while eliminating the burden on humans to find anomalies
✓ SCALABLE
Connie Hoen
Director, Growth and Strategy
Concur Policy Audit At Work
Benefits of Human Intervention

- Wedding Dress
Analysis of 100% of submitted expense reports
Duplicate Expenses
Anti-Bribery & Corruption

Foreign expenses are compared to data from news sites, government sites, databases, and other data sources to determine if the attendee is politically exposed or a denied person. This rule helps you monitor attendees and be FCPA compliant.

Report ID: BF85B4163C8C418FA0E8

<table>
<thead>
<tr>
<th>#</th>
<th>Key</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Moses Mercado (Ogilvy Government Relations)</td>
<td>Attendee Type: Government; Critical</td>
</tr>
<tr>
<td>2.</td>
<td>Chris Giblin (Ogilvy Government Relations)</td>
<td>Attendee Type: Government; Critical</td>
</tr>
</tbody>
</table>

Chris Giblin and Moses Mercado, Ogilvy Government Relations
No matter the policy issue, Giblin and Mercado ensure that clients' problems are squashed before they begin.
Checking for specific items

- Alcohol
Improving Machine Learning

- “Champagne” Vinaigrette
## Fraud Mitigation & Comprehensive Policy Audit

<table>
<thead>
<tr>
<th>Best Practice</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combine Spend Channels</td>
<td>Reviewing all spend in one place allows for <strong>reduced efforts</strong> in many departments, including IT, Program Administrators and Audit.</td>
</tr>
<tr>
<td>Automatically Review 100% of Spend</td>
<td>Using Artificial Intelligence to “see” fraudulent patterns and analyze behaviors provides greater insight than ever available before to <strong>catch more than 60% more mistakes in a fraction of the time</strong>.</td>
</tr>
<tr>
<td>Provide Human Context ONLY When Necessary</td>
<td>Dramatic <strong>time savings of up to 90%</strong> if human intervention is provided only for context on anomalous spend and improving machine learning capabilities, not finding the anomalous spend.</td>
</tr>
</tbody>
</table>
# Find your Fit

<table>
<thead>
<tr>
<th>Receipt Audit</th>
<th>Policy Audit</th>
<th>Concur Detect</th>
<th>Concur Detect + Policy Audit</th>
</tr>
</thead>
</table>
| • Receipt Substantiation  
• Tax Checks | • Receipt Substantiation  
• Tax Checks  
• Policy Review | • Receipt Substantiation (AI)  
• Receipt Validation (AI)  
• Simple Policy Review (AI)  
• Fraud & Anomaly Checks (AI)  
• Review against external lists (AI) | • Receipt Substantiation (AI)  
• Receipt Validation (AI)  
• Tax Checks  
• Simple Policy Review (AI)  
• Comprehensive Human Compliance Review  
• Fraud & Anomaly Checks (AI)  
• Review against external lists (AI) |
Questions?