

Can You **Detect** These Expense Compliance Issues?

SAP Concur



THE BEST RUN



An **effective auditing program for travel and expense (T&E)** is critical for your growing company to avoid compliance risk and minimize losses due to fraud. However, manual auditing techniques can be time-consuming, tedious, and prone to error.





Are You Losing Profits to **Expense Fraud**?

Whether due to employees rushing through expense reports, making numerical mistakes, or misunderstanding expense policies, most fraud is accidental. However, it still costs you money.

5%

Of annual revenue is lost
to fraud costs in a given year
for a typical company¹

US\$130,000

Median loss for cases of organi-
zational fraud across all types
of industries²

1. "Report to the Nations on Occupational Fraud and Abuse: 2016 Global Fraud Study," Association for Certified Fraud Examiners, 2016.
2. "Report to the Nations on Occupational Fraud and Abuse: 2018 Global Fraud Study," Association for Certified Fraud Examiners, 2018.



Common Expense Policy Violations

Employees today are spending more money across more spend categories. Here are the **top five standard spend categories** that are most frequently subject to violations.³



Entertainment: 6%
Meals: 16%

- Prepaid card reloads
- Gift cards
- Old receipts claimed
- Duplicate claims
- Alcohol purchases
- Dance clubs
- Spas and massages
- Personal meals
- Fake attendees



Car rentals: 8%

- SUV and luxury car upgrades
- Insurance purchase
- Prepaid fuel purchase



Hotels: 22%

- In-room movies
- Minibar
- Room upgrades
- Laundry



Airfare: 34%

- First-class and business-class upgrades
- Nonapproved travel bookings



Automatically Detect Errors, Compliance Issues, and Potential Fraud **in Near Real-Time**

The Concur® Detect service by AppZen integrates with the Concur Expense solution to automatically audit 100% of your expense reports. Before you make any reimbursement payments to employees, the service uses artificial intelligence (AI) to detect unintentional mistakes, compliance issues, and fraud.



CAN YOU BEAT AI? TEST OUT YOUR DETECTION SKILLS AND TAKE OUR AUDIT CHALLENGE.

Let's take a look at some of the most common types of accidental mistakes or expense fraud. In the following pages, you will see how difficult it can be to detect errors and mistakes in expense submissions without using AI technology.

**Would you be able to spot
the noncompliant expenses
in these five scenarios?**

Challenge 1

Has This Receipt Already Been Submitted?

Challenge 1

Challenge 2

Challenge 3

Challenge 4

Challenge 5

Employee 1 submits a receipt to the marketing manager on March 27.

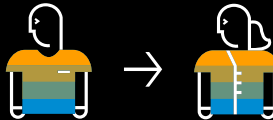
Laylas Kitchen
Tel: 1250 02546 054
laylaskitchen.com

Pre Receipt

Slip: 01651464684863156
Staff: Miskah
Date: 12/13/14 4:42
Table: 60
Terminal No.: MIA01

Description

1 Beetroot Salad 22.00
1 Fried Cheese Rolls 27.00



Employee 2 submits a copy of the **same receipt** to the business development manager on April 12.

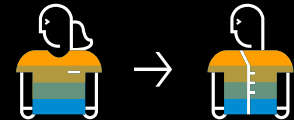
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Slip: 01651464684863156
Staff: Miskah
Date: 12/13/14 4:42
Table: 60
Terminal No.: MIA01

Description

1 Beetroot Salad 22.00
1 Fried Cheese Rolls 27.00



Here we see the same receipt being submitted in an expense claim by two different employees in different departments. An in-house manual auditing approach may not pick up on the fact that this is a duplicate expense claim.

Concur Detect Can **Detect** Duplicate Receipts

Challenge 1

Challenge 2

Challenge 3

Challenge 4

Challenge 5

Using sophisticated AI technology, Concur Detect:



Captures receipt
data automatically



Analyzes details such as
the items purchased,
date, time, location,
merchant name, and
payment method



Identifies duplicate
expense
documentation

Challenge 2

Can You Audit Effectively Across Every Language?

Challenge 1

Challenge 2

Challenge 3

Challenge 4

Challenge 5



<i>La Bistrot</i>	

It serves you: Mr. Pierre	

Cameriere 3, Table 345	

Salade nicoise	9,00
Fromage au jambon	12,00
1 paquet de Gauloises	10,00
Aqua	2,50

EURO	33,50

Can you find the policy violation?

Unless you speak French, you won't be able to tell that the third item on the receipt is a packet of cigarettes, which is not an authorized expense according to most companies' travel and expense policies.

Your organization needs to process receipts from every country that your business travelers visit. Even if the people reviewing the expense submission speak more than one language, it is not possible to have every language covered, and you may miss policy violations.

Concur Detect Helps You **Audit** Expenses Across Global Trips

Challenge 1

Challenge 2

Challenge 3

Challenge 4

Challenge 5

Concur Detect offers:



The ability to translate
40 languages
(English-only
interface)



Automated extraction
and translation
capabilities



The ability to extend the
solution to cover more
languages as you increase
the number of countries
your employees travel to
for business

Challenge 3

Which Establishment Is Not Really a Restaurant?

Challenge 1

Challenge 2

Challenge 3

Challenge 4

Challenge 5

THE OFFICE

435 Broadway
New York, NY 10020

TEXAS
ORIGINAL BARBECUE

789
Best Rd.



Dallas,
TX 44679



2 Sansome Boulevard
Philadelphia, PA 19020

How do you know if a receipt is really from a restaurant or, instead, from an establishment that does not comply with your company's travel and expense policy – such as a nightclub or a day spa? It would be painstaking for internal finance or auditing teams to research every establishment to find out whether an expense claim for money spent there is an infringement of your expense rules.

Although it's not obvious from the receipt, The Office is actually a nightclub, which means that the employee submitting this as an expense could be out of compliance with your company's policy.

Concur Detect Can **Sort** the Nightclubs and Day Spas from the Restaurants

Challenge 1

Challenge 2

Challenge 3

Challenge 4

Challenge 5

Concur Detect automatically:



Cross-checks hundreds of external and social media sources



Accesses public and private databases



Determines the type of business

Challenge 4

Is It Cake or Alcohol?

Challenge 1

Challenge 2

Challenge 3

Challenge 4

Challenge 5

JAKE'S	
1. Cruda Imperoal	\$2,400.00
2. 4008 CakebreadCS	\$164.00
3. 44 Ginger Lover	\$9.50
4. 1 2LB Maine Lobster	\$72.00
TOTAL	\$2,645.50

Which line item violates a typical expense policy?

The second line item on this list, "CakebreadCS," may look like an innocent dessert, but it's actually an alcoholic drink, which for many companies may represent an out-of-policy claim.

Some companies limit what they will cover. For example, employees might have to pay for alcoholic beverages themselves if they choose to order them.

Concur Detect Can **Identify** Products from Submitted Receipts

While some reviewers may make incorrect assumptions or may be unaware that some purchases are out of policy, Concur Detect:

Challenge 1

Challenge 2

Challenge 3

Challenge 4

Challenge 5



Uses deep learning and natural language processing



Identifies policy violations at a line-item level



Detects more than 10,000 brands of alcohol

Challenge 5

Should Your Business Pick Up the Bill for Dinner?

Challenge 1

Challenge 2

Challenge 3

Challenge 4

Challenge 5

Attendees

Jennings, Bill R.

Kane, Collette S.

Rushing, Paula A.

Rhodes, James Q.

Bette, Jackie C.



Which attendee is on the OFAC watch list?

Although it's not obvious from the attendee list, Collette Kane is on an Office of Foreign Assets Control (OFAC) watch list, which means that spending your company's money on buying her dinner may constitute a criminal offense.

Paying for a dinner meeting with a politically exposed person may violate industry regulations or even constitute a federal offense. But how do you check up on every attendee?

Concur Detect Helps You **Stay Compliant** When Entertaining

Challenge 1

Challenge 2

Challenge 3

Challenge 4

Challenge 5

Concur Detect minimizes compliance risks by analyzing government and antibribery lists, looking for:



Politically exposed
persons



Specially designated
nationals



Denied persons



People on OFAC
watch lists

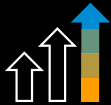


Revolutionize Your Auditing Processes with **Advanced AI** Capabilities

Concur Detect uses machine learning technology to analyze receipts, credit card transactions, travel bookings, and other expense documents to find patterns and anomalies that humans simply can't detect.

**Concur Detect offers
several benefits.**

Take Advantage of the **Benefits** Concur Detect Has to Offer



MORE ERRORS CAPTURED THAN WHEN USING A MANUAL AUDITING APPROACH

- Integrates fully with the Concur Expense solution and uses AppZen's artificial intelligence (AI) technology to audit 100% of expense reports within minutes of expense report submission
- Helps ensure compliance with company policies and regulatory requirements, and reduces expense report fraud and misuse
- Tracks the compliance behavior of every employee using the AppZen Behavioral Index (ABI) scoring system to differentiate between intentional fraud and accidental mistakes



LESS TIME SPENT ON AUDITING ACTIVITIES

- Uses AI to carry out an initial investigation on expense reports, reducing auditing time
- Enables auditors and managers to focus on resolving fraud instead of just identifying it



REDUCTION IN COSTS INCURRED THROUGH MISTAKES IN EXPENSE REPORTS

- Analyzes receipts, credit card transactions, travel bookings, and other expense documents, using machine learning to detect patterns and anomalies that humans can't
- Conducts cross-checks against hundreds of external and social media sources



Unlock Powerful Insights with **SAP® Concur Solutions**

Concur Detect plays a key role in our Audit Services offering, which uses information from auditing experts to help build a holistic compliance, accidental fraud remediation, and audit solution that removes risk for our customers. Concur Detect works together with Concur Expense to enable internal audit and finance teams to carry out automatic checks on expense reports. This improves fraud detection rates, minimizes compliance issues, and reduces auditing time.

To help your internal team with policy audits or to supplement your existing finance team with audit resources, you can outsource all, or a portion of, your employee expenses audit functions to use SAP® Concur solutions. We check that all receipts are compliant with your expense policies, helping you carry out audits quickly and accurately while freeing up internal resources.



Learn More

To find out more about Concur Detect by AppZen and other SAP Concur solutions, visit us [online](#).

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