

P-CARD COMPLIANCE

Stomp out purchasing card fraud and errors, and get visibility into the health of your processes.



Many organizations assume that fraud only happens elsewhere. P-Cards are an area in which fraudsters can most easily rationalize their actions, sometimes not even considering their abuse to be fraudulent. Even the best designed policies may be ignored or circumvented—and not all internal controls are 100% preventative without 360° oversight.

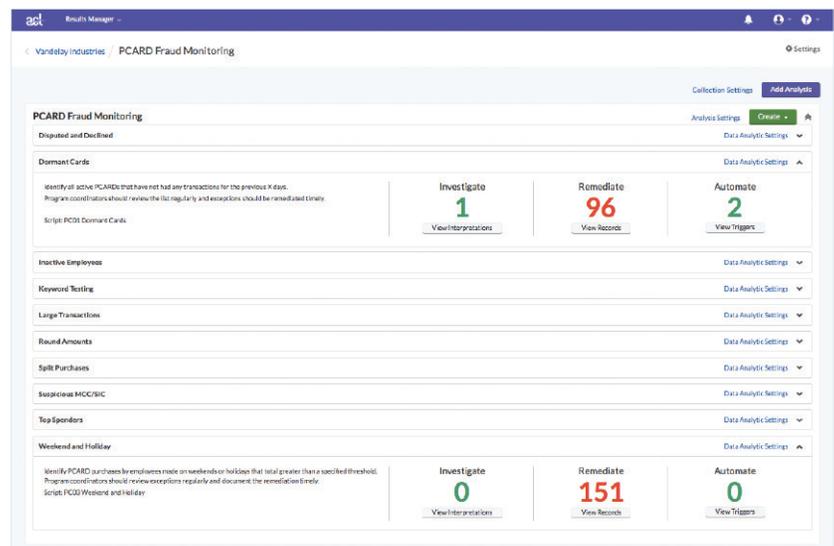


Figure 1: Get oversight of your P-Card program

The use of procurement cards (P-Cards)—also known as purchase cards, corporate cards or fleet cards—has become widespread as organizations streamline their procurement processes. P-Card programs can streamline procurement and make finance managers' lives much easier. But to earn executive buy-in to keep or grow your program, senior management often require risk-based monitoring oversight to ensure the program is healthy and makes the organization more agile. However, inadequate point-in-time controls expose huge opportunity for fraud, errors or abuse that cannibalizes your advantage.

P-CARD GROWTH:¹**\$2.6** MILLION

The average monthly P-Card spend per organization

\$377 BILLION

The amount that annual P-Card spending is expected to grow by 2018

ACL'S 360° APPROACH TO P-CARD COMPLIANCE

While ERP systems are often equipped with point-in-time controls, such as managerial reviews to ensure an individual transaction complies with policy, it is only in aggregate that the total transactional population for an individual will clearly indicate a suspicious pattern. "Tone at the top" combined with paying attention to all details by monitoring creates the environment necessary for a healthy functioning procurement process.

For an organization to be effective in detecting and preventing employee fraud, P-Card control activities must be active, visible and a part of an organization's culture. You can't merely rely on your ERP's controls to catch fraud because they are typically made simple for the sake of efficiency—and easily circumvented.

ACL's P-Card compliance solution enables continuous transaction monitoring to mitigate typical P-Card risks such as personal purchases, circumventing process or policy, inadequate approvals or reviews, and third-party fraud. ACL enhances the detection of fraud by providing access to multiple systems at the same time, and allows you to add new tests at any time as risk profiles change.

THE ACL SOLUTION TO P-CARD COMPLIANCE:

01**P-Card Program Monitoring**

Implement ACL's specialized risk and control data analytics to test data from multiple sources and monitor P-Card fraud risks—from lost and stolen P-Cards to unauthorized use.

Example analytics to identify potential P-Card fraud, errors and abuse and policy non-compliance:

- **Employee profiling:** Analyze transactions to look for merchant codes, vendor names, and key words that are associated with non-business items and services
- **Duplicate payments:** Cross-match different data sources to identify employees who are creating duplicate claims ("double dipping") for the same expense
- **Segregation of Duties (SoD):** Ensure a segregation of duties exists between the cardholder creator and approver
- **Vendor management:** Identify purchases made to phantom merchants
- **Departmental spend management:** Profile expenses by identifying average expense transaction sizes by departments

02**Pre-Approval Request Form**

Easily set up a card, expense or vendor pre-approval request form. Combine submitted information with detective controls (such as actual expense records) for 360° oversight.

03**Whistleblower Hotline**

Set up an anonymous method for employees, vendors and customers to report a potential fraud through the ACL platform. This has been proven to be a highly effective way to detect fraud. Organizations with a hotline typically detect fraud 50% more quickly and frauds are 41% less costly.²

04**Remediation Workflow**

Simply identifying red flags isn't enough. With the ACL platform, easily create your own workflow to manage flagged records and assign to owners for review, response and remediation.

05**Visualize P-Card Program Health**

See the big picture of your program health and drill down to any level of your program. Easily monitor remediation status at a glance and investigate case by case. ACL's documented oversight provides a level of comfort for P-Card teams and leadership alike to know that fraud risk has been mitigated and that users are compliant with policies.

BENEFITS OF ACL'S APPROACH TO P-CARD COMPLIANCE

- **Analyze 100% population data.**
- **Cross-match data from all sources, including third-party systems.** Discover what your ERP system missed by gathering data from disparate systems to answer questions not previously possible (e.g., why did an employee use their P-Card while on vacation?).
- **Streamline investigations with built-in surveying.** Automate communications with employees, partners, or vendors to ask questions about recently submitted expense reports and amalgamate their responses to the questionable records to assist with investigation.
- **Combine “structured” and “unstructured” data for quicker resolution.** For example, the ACL platform can collate an expense record and feedback data collected from a questionnaire response for quick verification of authorized transactions.
- **Create a culture of compliance.** Monitoring P-Card transactions helps prevent fraud and policy circumvention by signaling to employees that transactions are under scrutiny.
- **Centralize and secure your review process.** Using spreadsheets or disconnected systems to manage the review of suspicious transactions is not efficient and can lead to potential issues being ignored or missed. The ACL platform consolidates your entire P-Card compliance program in one place.
- **Provide interactive, actionable oversight to senior management.** Gain holistic P-Card program oversight using a risk-based, top-down approach. Use visualizations and storyboards to see the big picture, or click on any risk or issue for status updates.

TIME TO VALUE



30%

time saved accessing data spread across disparate & independent business systems reported by % respondents



70%

said their team was comfortable using the product in less than 30 days



80%

said learning ACL™ GRC was “easy” or “very easy”



81%

of customers think that the use of ACL™ Analytics has resulted in an improvement of how their department is perceived by senior management

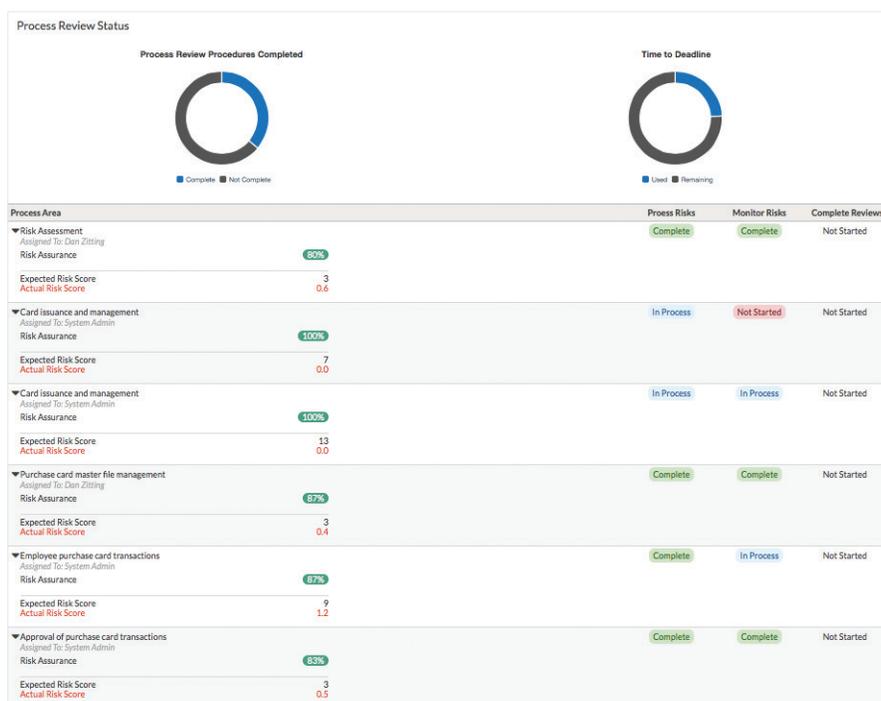


Figure 2: Demonstrate fraud risk mitigation to auditors and leadership through a centralized platform

CUSTOMER ROI:

Charleston > excellence is our standard
County SCHOOL DISTRICT

\$12M

automated operational risk management in P-Card spending

75%

drop in anticipated P-Card auditing time

HALL OF SHAME

Customers have used ACL technology to catch inappropriate charges to Victoria's Secret, Home Depot, Best Buy, hair salons, gas for personal vehicles, Tarot card readings, steer at a cattle auction, and purchases by former employees.

The screenshot shows a workflow configuration window titled "Question Large Transactions". It is set to trigger when "all" of the following conditions apply: "Transaction amount" is greater than "2000". The actions to be performed are: "Send" a "Request for Additional Detail" email to "pcardowner@abccorp.com", "Notify" the "Demo Executive User", "Set status" to "3rd Party Due Diligence", "Set priority" to "High", and "Assign to group" "Accounts Payable". The trigger settings are set to "Daily".

Figure 3: Build a structured workflow for P-Card monitoring

“ Instead of going in long after the transactions are done and getting stale information, we're able to do the month close, run the suite of analytics, identify anomalies, clear them up faster, and take corrective action.

Andrea K. Sevy, Senior Auditor, CCSD

A well thought-out process that provides the right information and the ability to report and trend activity ensures your organization is doing what it can to stomp out P-Card fraud, errors and abuse.

Call us at 1-888-669-4225 or email info@acl.com to speak to one of our experts and we can show you how easy it could be to reduce P-Card risk in your organization—and get actionable oversight into the health of your program.

LEARN MORE ABOUT WHAT YOU CAN ACCOMPLISH WITH ACL

Call 1-888-669-4225 to speak with a representative

Visit our website at acl.com

Email us at info@acl.com