

8 ways to Eliminate Unnecessary Spend, Waste, and Fraud with AI

Controlling spend within organizations during 2020 has been even more important than normal. Part of that control can be achieved by making expense processing procedures as efficient as possible.

But within employee expenses lurk numerous examples of spend, waste, and fraud - all of which cause your organization problems.

This infographic identifies the top 8 areas of hidden-risk within expense processing.



1 Work from home

COVID-19 has changed the way we all work, but while relaxing rules around remote working expenses may provide short term relief it can provide an excuse for abuse. Watch out for excessive spend levels, claims for existing personal home office kit, and duplicate submissions.



2 Duplicates

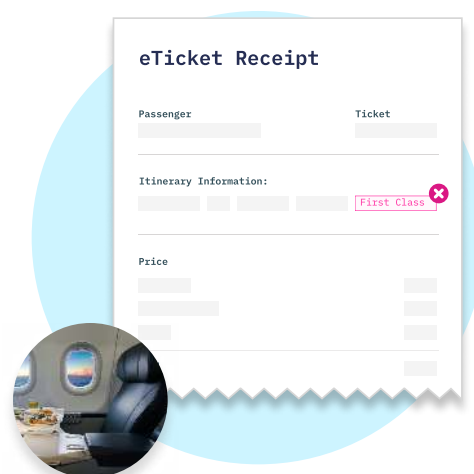
Duplicate expenses come in many forms. An employee might submit a receipt for the same expense more than once, file a cash expense for corporate card purchase or submit an expense twice, once with a receipt and once with a missing receipt affidavit.



3 Bites & booze

Companies provide clear guidance on food and alcohol expenses but that doesn't stop employees pushing boundaries.

Small discrepancies are sometimes acceptable but recurring or large exceptions should not be allowed.



4 Travel upgrades

Checking what price was reasonable for a given date and route or location combination is complex, takes a lot of time, and requires a degree of skill.

Identifying which upgrades were valid - perhaps because of weather issues or emergency - versus those which were not is not easy - but it is critical.



5 Out-of-policy

Identifying flagrant (tattoos, massages, etc), unethical (strip clubs, bribes, etc) or downright illegal (drugs, hacking, etc) spend using company funds needs to be done in as clinical and consistent a manner as possible in order to be able to control risk.



6 Bribes and illegalities

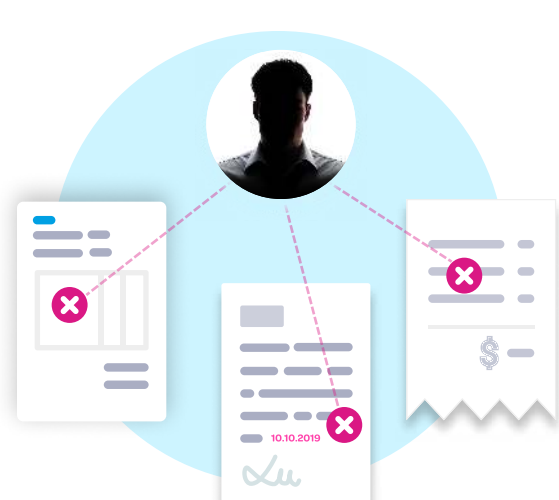
Regulations such as the Foreign Corrupt Practices Act (FCPA) in the US and the Anti-bribery and Corruption Act in the UK prohibit bribery around items such as gifts, meals, entertainment, cash compensation, or employment opportunities.

Violations carry civil and criminal penalties, so organizations should review attendee names against anti-bribery and corruption regulations to ensure compliance.



7 Company specifics

Certain vendors may have an excluded brands list where employees aren't allowed to expense purchases from direct competitors. Alternatively, some vendors actively want to encourage purchases from preferred vendors. This could include ethically sourced coffee, or flights with a carbon neutral airline for example. Both examples are easy to define but difficult to govern.



8 Repeat offenders

While a few extra miles on a single mileage claim might be allowed - employees who do this regularly need to be identified and appropriate action taken.

The Corporate Finance Institute estimates that the median loss for expense fraud is \$31,000. That is a lot of money for large AND small organizations. Spotting repeat offenders can reduce this number significantly.