



SOLUTION OVERVIEW

CASEWARE™ MONITOR FOR P2P

Procurement Fraud

The purchase to payment process (P2P) remains one of the most complex business processes, often spanning multiple systems and operations. Despite the level of automation, including ERP implementations, P2P remains an area prone to fraud, money leakage, waste and inefficiency.

False invoicing and theft of inventory remain as major sources of fraud, both within management and non management ranks as well as with external suppliers. Interestingly, it takes an average of 342 days to detect a fraud, at which point 89% of all proceeds are unrecoverable. For the average organization with \$1.5m in fraud per year, \$1.34m is lost.

These challenges are a source of major frustration for Senior Management in their efforts to gain full visibility into the P2P process. They want effective controls to manage their cash and the ability to more easily adapt and comply with regulations and internal policies, regardless of how and where procurement takes place.

Business Process Owners (BPO) want similar efficiency gains as well as activity metrics and benchmarks to help them understand performance over time. BPOs that can identify and resolve issues at source, rather than during the next audit, will get significant cost savings and realize efficiencies.

Continuous Monitoring

Continuous monitoring solutions provide an organization with an independent point of observation over its P2P business processes. It enables immediate identification of control breaches, fraud and money leakage, while ensuring data quality and providing feedback on key performance metrics across the entire process.

A key feature on an effective solution is the deployment of fraud and deficiency issues as they occur in a framework that ensures that they are addressed in a timely manner.

CaseWare™ Monitor for P2P

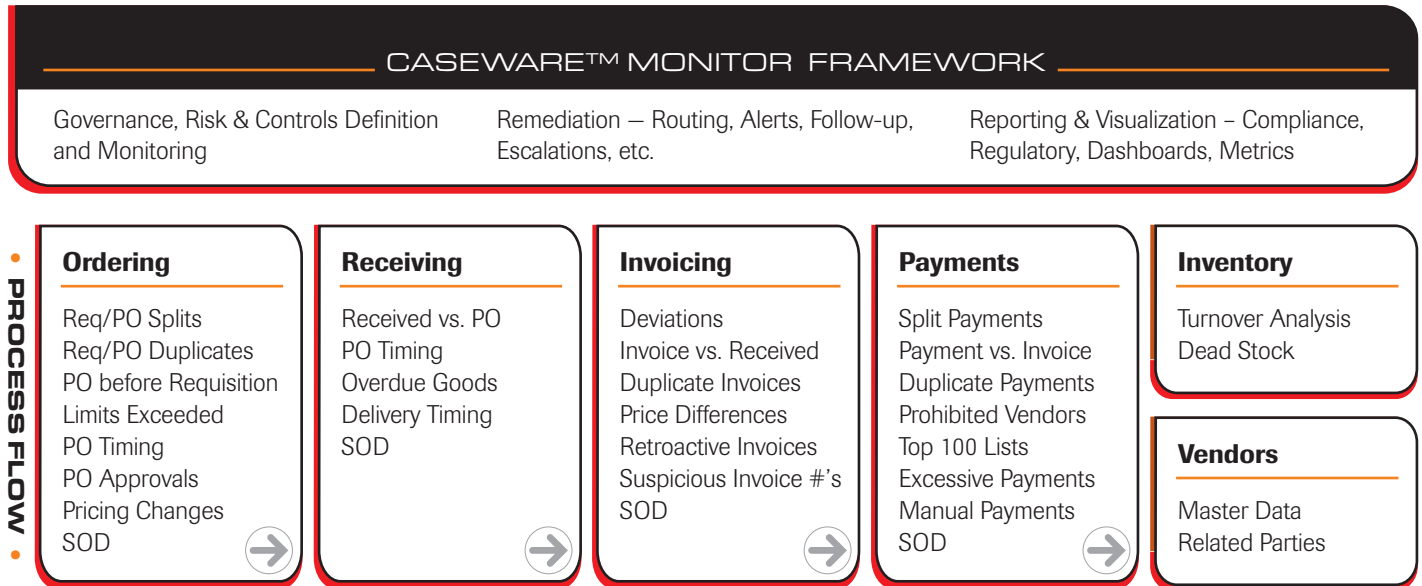
CaseWare™ Monitor enables any P2P process to be monitored, regardless of the underlying systems, data sources, platforms or locations. Results from these disparate sources are consolidated and presented in CaseWare™ Monitor for use by any authorized users, regardless of location.

Using CaseWare™ Monitor, all facets of the P2P process, from Requisitioning through to Payment, can be monitored, providing insight into specific issues as well as the overall health of procurement controls. Notifications and workflow management are built into the CaseWare™ Monitor framework ensuring that issues receive proper attention and their resolution managed.

CaseWare™ Monitor for P2P suite of tests is comprehensive and covers the full lifecycle of P2P. The suite includes tests and reports for Segregation of Duties, Master Data Monitoring, Exception Reporting and Metrics & Performance Monitoring.

The following chart shows the different areas of P2P monitoring and some aspects that are monitored:

Figure 1 – CaseWare™ Monitor for P2P



Workflow and Reporting

When an event occurs, relevant alerts are triggered and a stringent remediation process is followed to ensure that high risk activities are addressed as stipulated by the business process owners.

Other key aspects of the solution are automation of the reporting function and visualization of the process environment. CaseWare™ Monitor for P2P automates key reporting for stakeholders, including regulators and external audit.

Reports include:

- Key Procurement Metrics
- Intra/Extra process SOD analysis
- Requisition > PO > Receipt > Invoice > Payment Anomalies
- Fraud Analysis, Money Leakage
- Fast/Slow Turnaround Times

SAMPLE OF P2P REPORTS

Inventory Analysis

Dead Stock Analysis
Top/Bottom Purchased Items
Highest/Lowest Turnover
Excessive Inventory Level Changes
Price Change Impact

Vendor Management

Potential Duplicated Vendors

Vendor Information Incomplete

Vendor – Employee and other Related Parties Matching

Vendors Removed/Added

Requisitioning

Requisition Limits

Split Requisitions

Old Requisitions

Requisition SOD Conflicts

Purchasing

Purchase Order Limits Exceeded

Split Purchase Orders

Old Purchase Orders

Duplicate Purchase Orders

PO vs. Requisition

Purchase Order SOD Conflicts

Receiving

Received vs. Purchased

Receiving SOD Conflicts

Invoicing

Invoice before Purchase Order

Invoice vs. PO

Invoice Limits Exceeded

Invoice Numbers Sequence Anomalies

Split Invoices

Invoices to Prohibited Vendors

Invoicing SOD Conflicts

Payments

Accumulated Vendor Payments

Payment vs. Invoice

Duplicate Payments

Split Payments

Rapid Payment

Gaps in Check Numbers

Payment SOD Conflicts

BENEFITS

BUSINESS CHALLENGE

CASEWARE™ MONITOR SOLUTION

STAKEHOLDERS' REQUIREMENTS

Escalating risk and compliance requirements

- Provide enterprise-wide definition and monitoring of controls and assurances that they are effectively implemented across all business processes

AUTOMATION

Automating control breach detection and remediation

- Detects breaches at the data source
- Distributes results across the enterprise by customer-defined rules via dashboards, e-mail, SMS
- Provides workflow for remediation including automatic detection of resolution of errors
- Allows the user to define controls in multiple business processes with a consolidated view
- Increases efficiency by making analytics repeatable with the ability to adjust tolerances
- Business rules and parameters are customizable and new logic can be built by the organization
- Monitoring can also be applied to business metrics
- Issues are identified as soon as they occur

INTEGRATION

Seamlessly integrate into existing solutions

- No changes required to underlying systems being monitored
- Non-intrusive access to data and cannot amend source data
- User and group security with LDAP support
- Strong encryption

PROCESS OPTIMIZATION

Makes the process more efficient and less costly

- Issues detected on a more timely basis
- Lower recovery costs
- Greater level of automation
- Compliance and other reporting automatically generated
- Knowledge and expertise captured in the control systems and made repeatable



CaseWare RCM Inc.

1420 Blair Place, Suite 400
Ottawa, Ontario, Canada K1J 9L8

Phone: +613 842 7920 ext. 712
Fax: +613 842 9475

Email: rcmsales@caseware.com
www.caseware.com