Welcome!

Mike LaDuke

AGENDA

- 60-second FISCAL Overview
- Change in Purchase-to-Pay
- Escalation of Fraud Incidences
- What is Continuous Controls Monitoring
- Two Case Studies
- What We Learned
- Q&A
BRIEF INTRODUCTION TO FISCAL TECHNOLOGIES

Established 2002

15th year Delivering Immediate ROI for AP

Over 250 Customers World-Wide

Provide Forensic Tools and Services to Empower P2P

Creating Best-In-Class Accounts Payable

SAP Partner

PPN Purchase to Pay Network

Microsoft Partner Gold Application Development

ORACLE Gold Partner

P2P Is Evolving Faster Than Ever Before!
Dramatic Increase in Transaction Complexity

Confusing – A Lot of Buzz

Added dimensions of:
- ERP
- Disparate Systems
- Vendors
- Risk Considerations
- Key Stakeholders
In 2016, 82% of surveyed executives reported falling victim to at least one incidence of fraud in the past year. Up from 61% in 2012 and 75% in 2015.

_Global Fraud & Risk Report 2016_ (research by Forrester Consulting)
**FRAUD RELATED LOSSES**

57% of those surveyed estimated fraud related losses in the last 12 months at 1% - 3% of revenue.

Reputational damage was listed as one of the main repercussions.

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**EFFECTIVENESS OF PROACTIVE DATA ANALYSIS**

“Across the board, the presence of anti-fraud controls was correlated with lower losses and quicker fraud detection. The 36.7% of victim organizations that were using proactive data monitoring and analysis techniques as part of their anti-fraud program suffered fraud losses that were 54% lower and detected the frauds in half the time compared to organizations that did not use this technique.”

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ACFE 2016 Global Fraud Study “Report to the Nations”
CONTINUOUS CONTROLS MONITORING

SHIFT REAL-TIME ACTIONABLE INSIGHTS

Continuous forensic monitoring

- Highly P2P-specific
- Transaction level daily
- All transactions
- Master vendor
- Frontline fraud test
**HOW IT WORKS**

**WHY P2P & AUDIT PARTNERSHIP?**

<table>
<thead>
<tr>
<th>Partner Strengths</th>
<th>Purchase to Pay</th>
<th>Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expertise</td>
<td>Transactions</td>
<td>Investigation</td>
</tr>
<tr>
<td>Time Frame</td>
<td>Prevention</td>
<td>Historical review</td>
</tr>
<tr>
<td>Place in the Process</td>
<td>On the frontline</td>
<td>At the end</td>
</tr>
<tr>
<td>Supplier Relationship</td>
<td>Close</td>
<td>Distant</td>
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<tr>
<td>Investigative Focus</td>
<td>Exceptions</td>
<td>Ad hoc sample</td>
</tr>
<tr>
<td>Improvement</td>
<td>Processes</td>
<td>Controls</td>
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CASE STUDY 1 – CITY GOVERNMENT

Profile

- Aspirational city government
- Use Peoplesoft ERP
- Process 60K invoices annually
- 50% 3-way matching
- High PO compliance at 80%
- Scanning and workflow only
- Internal audit team
**Issues**

- Overstretched staff resources
- 80% of invoices under $1,000
- Credit memos not matching
- Multiple ways to receive and pay
- Large master vendor file and growing
- Increasing fraud & attempts

**Benefits**

1. Payback – under 3 months
2. Pin-point issues to drive process improvement
3. Reduction in exceptions & improved credit matching
4. Significant time savings keeping master vendor up to date
5. Essential to protect government spend

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**CASE STUDY 2 – COUNTY GOVERNMENT**

**Profile**

- Diverse large county organization
- Use Oracle ERP
- Process 230K invoices annually
- P-card program 500+
- Remote input of invoices by dept.
- Low PO compliance
- Large master supplier file
**Issues**
- Lots of invoice exceptions to deal with
- Duplicate payments happening
- Issues around potential fraud
- Lack of internal audit resources
- Very hard to reconcile P-card with AP

**Resulting Benefits**
1. Payback – x2.5 in 3 months
2. Improved input compliance with less exceptions
3. Highlight high risk vendors across the group
4. Increased visibility and control
5. Improved annual audit issues

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**WHAT WE LEARNED**

**SUMMARY**

<table>
<thead>
<tr>
<th>Reduce Cost</th>
<th>Generate Value</th>
<th>Reduce Risk</th>
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</thead>
<tbody>
<tr>
<td>Can highlight significant overpayments.</td>
<td>• <strong>Drives process improvements</strong></td>
<td>• Improves regulatory compliance</td>
</tr>
<tr>
<td><strong>Reduce number of exceptions and time for P2P</strong></td>
<td>• Elevates the role of A/P</td>
<td>• <strong>Reduces the likelihood of internal and external fraud</strong></td>
</tr>
<tr>
<td>Reduce audit time</td>
<td>• Creates shared insights</td>
<td>• Ensures reliable processes</td>
</tr>
<tr>
<td>Reduce time spent on master vendor file</td>
<td>• Increases spend protection</td>
<td>• Supports segregation of duties</td>
</tr>
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Questions/Comments?

THANK YOU!

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