



# Continuous Monitoring for Procurement Integrity



SAS and KPMG

—

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**START**



**Continuous Monitoring for Procurement Integrity (“PI”) empowers businesses to proactively detect, investigate and mitigate fraud in the procurement process through a powerful combination of artificial intelligence, integrated forensic capabilities and pre-configured analytic scenarios.**

As recent studies estimate, a typical organization loses 5 percent of its annual revenue to fraud, PI is strategically poised to reduce the impact of fraud<sup>1</sup>, waste and abuse to organizations. From circumvention of controls via split invoices or abuse of access to duplicate payments, fictitious vendors or bribery and corruption, Procurement Integrity continually monitors the procure-to-pay cycle to identify, score and prioritize high risk and potentially fraudulent activities.

- Approximately 5% of annual revenue is at risk for fraud.
- Procurement fraud is committed by both trusted employees and suppliers, sometimes in collusion.
- New regulations and compliance requirements can lead to significant fines and reputational damage.
- Fraudulent methods and techniques are constantly evolving, driving the need for proactive solutions that take advantage of analytics and artificial intelligence, such as machine learning, Natural Language Processing or Robotic Process Automation, to continuously identify and alert on these risks, to allowing organizations to prevent and reduce fraud and losses.
- Current manual approaches are reactive, represent a point in time, cover only a small sample of the population and are largely ineffective at identifying fraud.

All organizations rely on external vendors, suppliers or other third parties to support their flow of commerce and operations and to deliver goods and services to their clients. To ensure the procurement life cycle runs smoothly, organizations have procedures and controls in place to make sure they obtain the correct items at the right time with acceptable conditions and agreed-upon quality.

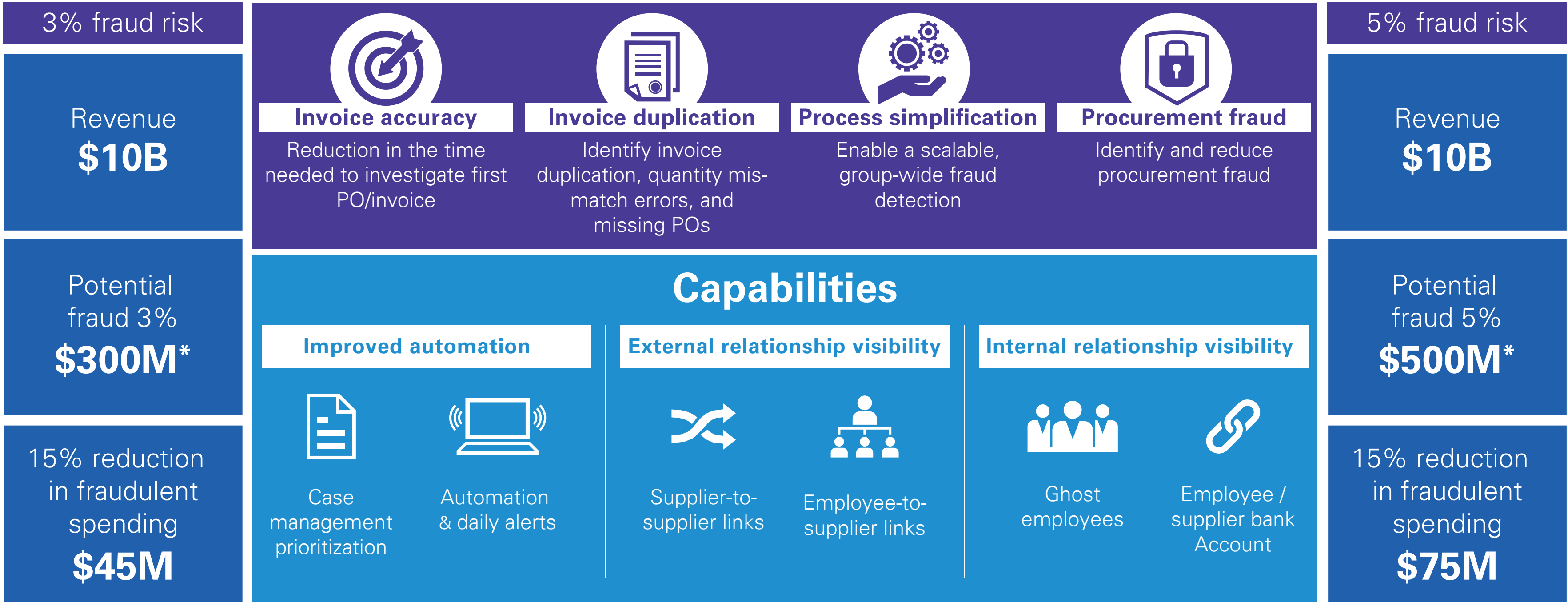
But like any other business process, the procurement process is never perfect, and both honest mistakes and fraudulent activity can adversely affect the financial and reputational health of the organization. There could be duplicate invoices, ghost vendors, false invoices, billed goods that aren’t requisitioned and/or delivered, and billed goods that have an excessive price. Circumvention of procurement controls have affected

about 75 percent of organizations in the last three years, including Fortune 500 companies, small businesses and government agencies. In addition to the financial losses, there is significant risk to reputation and brand when these events are aired publicly in the media. Depending on the industry, significant regulatory fines are also a risk.

<sup>1</sup> The 2018 [Report to the Nations on Occupational Fraud and Abuse](#), released to the public on April 17, is the largest and most comprehensive study of occupational fraud to date.



Value of continuous monitoring for procurement integrity



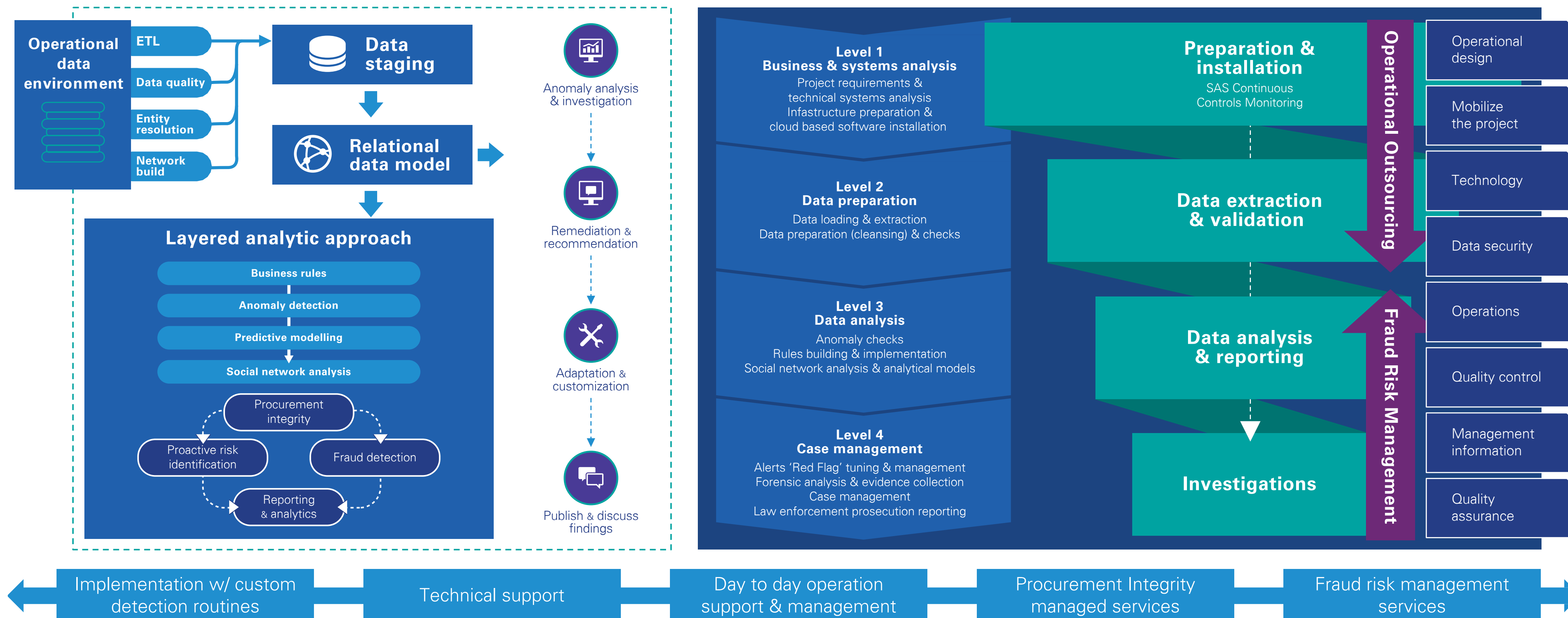
\* The association of Certified Fraud Examiners estimates up to 5% of annual revenue is at risk of occupational fraud.

SAS and KPMG jointly offer an industry leading Procurement Integrity solution built upon three key pillars:

- 1. KPMG’s Forensic network of 3,000+ professionals to customize the solution based on industry, geography and client factors
- 2. SAS’s advanced analytics platform to efficiently organize data, detect anomalies, adapt to changing conditions, and continuously monitor fraud
- 3. Tailored delivery models to match client needs and capacity constraints

Our approach combines the depth of KPMG’s forensic knowledge and expertise with the innovation and capabilities of SAS’s technology to deliver a scalable and cost-effective solution, helping ensure maximum detection, investigation and reporting capabilities while minimizing wasted time and effort. We empower our customers to enable trust in their procurement process through a distinctive combination of predictive modeling, artificial intelligence, and integrated forensic capabilities, to proactively detect, investigate and anticipate fraud.

# Application managed service





# The SAS® and KPMG Difference

## Detect & mitigate procurement fraud and manage your business with more confidence

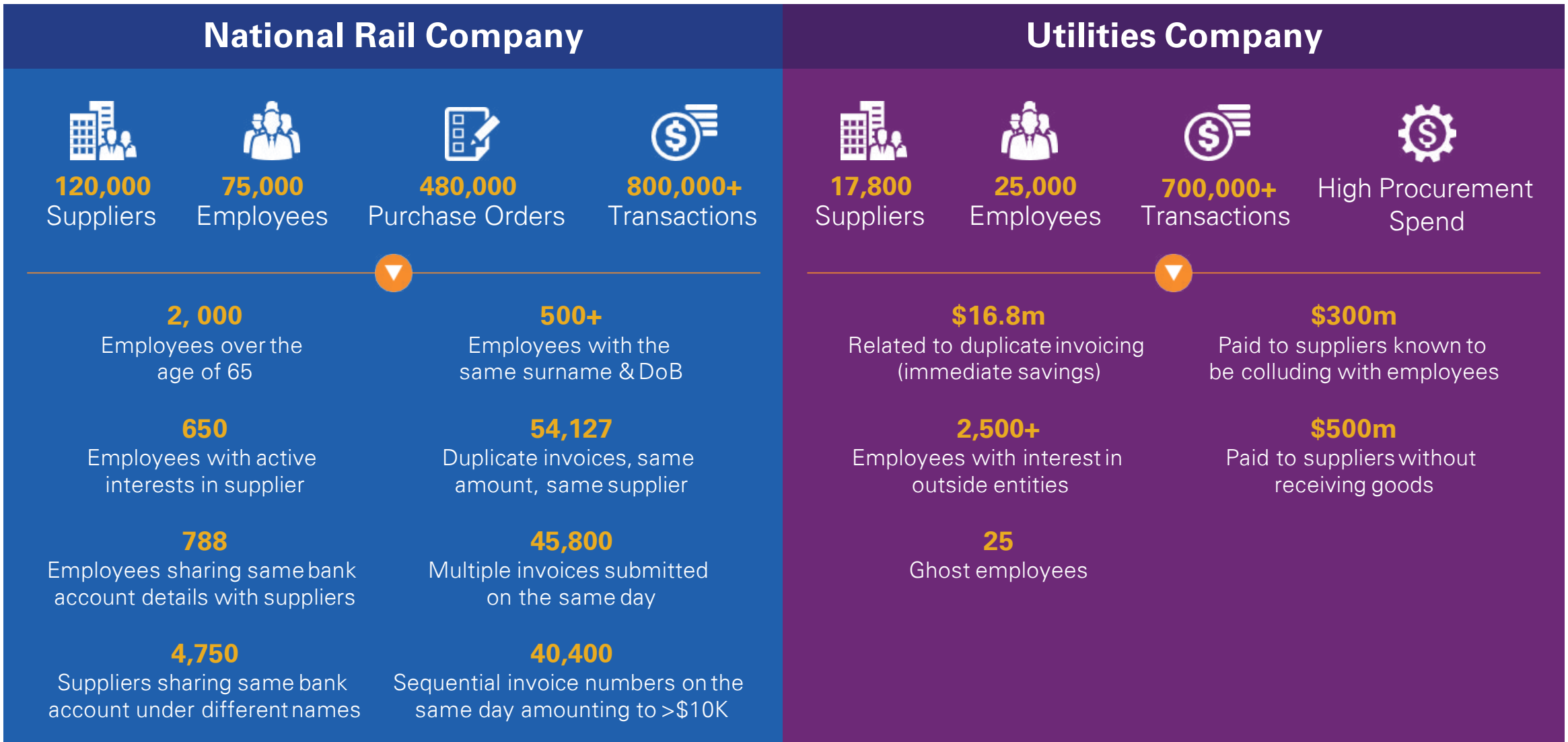
SAS and KPMG’s integrated and dynamic Procurement Integrity solution, tailored for the needs of our clients by industry, geolocation and operating model, provides value driven insights that enhance procurement risk management and drive tangible cost savings and efficiency.

- Continuous monitoring to adjust for changing conditions and fraudulent behaviors
- Fully managed service with world class delivery program
- Alert triage to reduce false positives and focus on highest risk activity
- Integration with a vast array of data and technology tools
- Next-gen virtual reality investigative capabilities that allow for targeted investigative activity
- Customized front-end interface capabilities combining multiple data and investigation initiatives

## Customer benefits include:

- Review, evaluation and scoring of all procurement spend, rather than manual sampling practices
- Identification of significant opportunities to reduce losses from fraud and illicit procurement practices
- Reduced disruption and delay from the investigation and clearing of low-risk items, increasing efficiency and mitigating impact to on-going operations
- Regulatory compliance through continuous monitoring, reducing reputational damage and legal disputes
- A focus on high probability fraud and abuse, improving chances for higher levels of recovery

# Success





## About KPMG

- KPMG is a professional services firm that provides consulting, tax and audit services and operates out of 700 offices in 153 countries with more than 200,000 professionals
- KPMG Forensic is an international network comprising over 3,000 multidisciplinary professionals who assist clients in achieving business integrity through the prevention, detection, and response to fraud and misconduct and the avoidance and resolution of disputes.
- ALM Intelligence ranks KPMG a Vanguard Leader in Procurement Operations and Regulatory Compliance Consulting
- A Leader in The Forrester Wave™ Business Transformation, Data & Analytics, and Information Security Consulting Services
- Global Research report, Perceptions of Consulting ranked KPMG #1 in overall quality for Global Financial Services Consulting

## About SAS

- SAS was named a Leader in The Forrester Wave™: Enterprise Fraud Management, Q3 2018.
- SAS is a Leader in the 2019 Gartner Magic Quadrant for Data Science and Machine Learning Platforms.
- SAS provides advanced analytics and AI technology solutions for public and private enterprise fraud and security initiatives across the globe.

## Contact us

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