
Combating Financial Fraud with AP Automated Solutions

Fraud is on the rise.



Figures from Crowe's Annual Fraud Indicator show that the UK private sector lost an eye watering £157.8 billion to fraud in 2023. To put that into perspective, the same sector lost only £14 billion in 2017

UK Finance, a trade organisation that represents 300 UK firms, said that these businesses alone lost £50 million to invoice fraud, and that the figure is climbing year on year.

You might be thinking: 'Nah, it'll never happen to me.' but you'd be wrong. There's no rhythm or rhyme to types of businesses that fraudsters will hit. There are, however, some small steps you can take into the world of AP automation that provide big protections.

How are traditional business methods vulnerable to fraud?

By lacking the checks and balances that automated AP software gives you, you've opened yourself right up to fraud.

Threats can come from both inside and outside your company, taking advantage of the lack of controls in non-automated methods that leave you wide open for exploitation.

The gaps come largely from a **lack of scrutiny**. Even the most watchful eye in a company with a lot of money going in and out might not be able to spot someone spending company money on themselves, or syphoning a little here and there for a nice holiday or a gift for the wife...

Other fraudsters will take advantage of **human error**.

There's no way the person tasked with filing invoices is going to have the brain power to spot tiny discrepancies when they get into the midst of this kind of mind-numbing work.

Your thief just needs to submit a realistic-looking invoice with some altered bank details and you're shipping money straight to their account.

What's more, if you're not fully digital, finding your stolen money and the fraudster responsible is going to be difficult.

So leave that up to the machines...

What can accounts payable automation do to help?

Zahara's AP automation protects your business by building a system of control around the money that goes out of your business. **It works at the areas of your finance department that are most vulnerable to fraud**

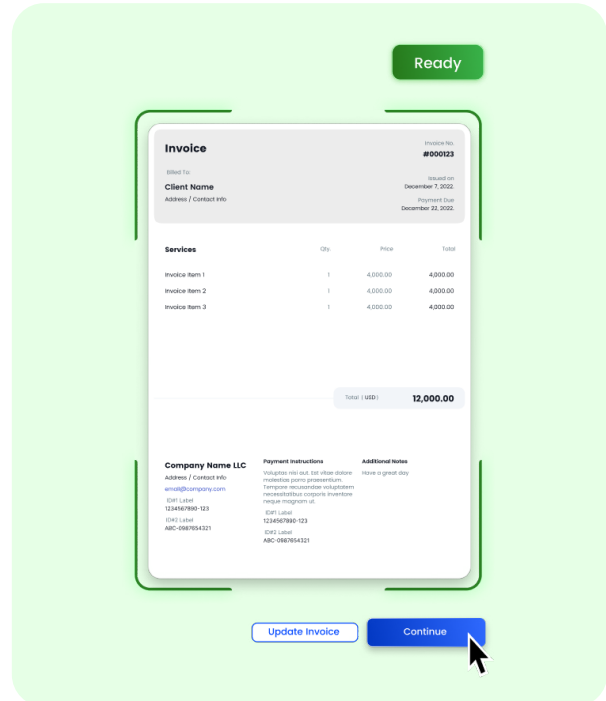
Fighting fraud with better invoice processing

A common method for some swindler to try to get their paws on your money is through invoice fraud. They'll likely try to replicate invoices that your finance team are used to seeing, but have the money sent straight to their account.

Preventing this is all about being able to verify the legitimacy of an invoice. **Zahara's invoice processing software uses AI to hold a magnifying glass to each invoice** put through the system. It can spot the smallest discrepancies and flag them to an approver before your invoice is paid.

It also uses 3-way matching – comparing info between goods receipts, purchase orders (more on these below), and the invoice – to ensure that all the info matches up before any payments are made.

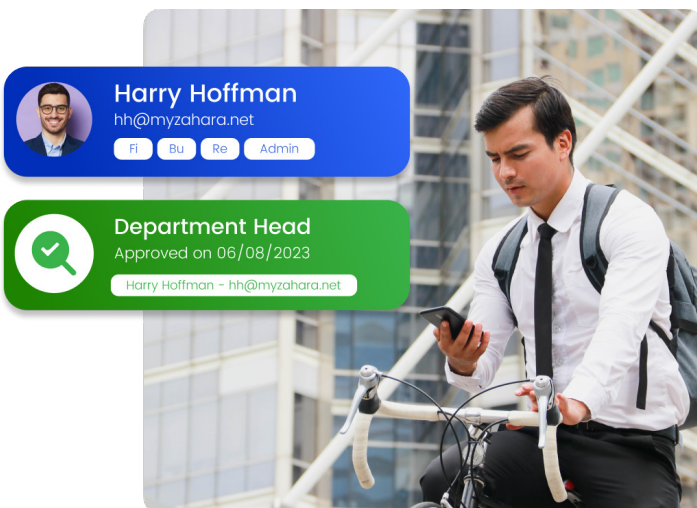
Read more about Zahara's Invoice Processing software here



Or stronger purchase order management

When a company grows, so too do the number of people with the power to spend. If this is left unchecked, you open yourself up to internal fraud.

Good purchase order management will increase compliance to make sure no one is spending company money on a nice fur coat for their other half or tickets to Ibiza for the summer hols.



Instead, anyone who wants to spend will have to raise a purchase order and comply with your controls. These can be spend limits for projects, departments, or individuals. It could also be controls on expensable items.

The long and the short is that you can **say goodbye to unauthorized purchases** and say hello to a system that will allow you to **track spends simply and efficiently**.

Read more about Zahara's Purchase Order software here

And don't forget enhanced audit trails...

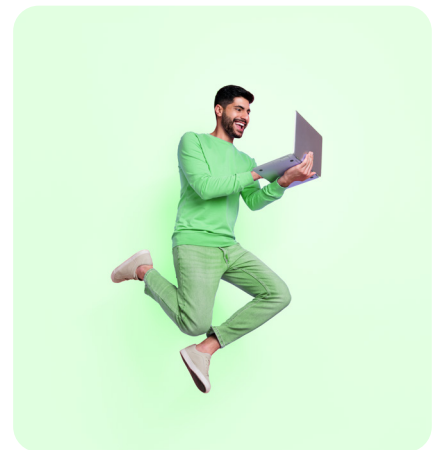
A huge amount of business can be prevented through automated Invoice Processing or Purchase Order Management, but fraudsters are crafty. No solution is going to provide total protection...

But, on the chance fraud happens, your new automated AP software will have detailed record of everything that occurred. This will make it much easier to get your money back and protect your business against similar scams in future.

Getting ready for the jump to digital

Interesting in making the jump to automated accounts payable? Before you get your AP solution up and running, these are a few tips that can bolster your protection against fraud.

- **Show your system plenty of supplier invoices:** Doing this will ensure that your system knows what your supplier invoices look like. You should train your solution on hundreds of example invoices before you put it into action. This will give the AI a wide pool of examples to work from when detecting a crooked invoice.
- You should **ensure that your purchase orders and invoices are being handled digitally.** Contact your suppliers and let them know where to send invoices and send them digital templates if you need to.
- **Prepare your staff.** Make sure they know how to handle the new software – especially when it comes to POs or invoices that get red-flagged.



Just to reiterate...

Whether implementing automated Invoice Processing or Purchase Order Management, **you've instantly put yourself in the big leagues of business security.**

The approval workflows built into the software are what's going to make all the difference in both fraud prevention and fraud detection. And if someone should find a way around it'll be much easier to track them.

Controlling your costs is going to do wonders for your bottom line, as well as meaning your CFO can sleep at night without the worry of someone dipping their hands into the company coffers.

We know we're obviously a little biased here, but we can't stress enough the benefits of adopting this kind of software.

Want to hear more about what Zahara can do for your business? **Give us a call or book a demo with one of our expert consultants here.**