Oversight
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Oversight for P-Card Monitoring

Our client, a Fortune 500 consumer packaged goods firm, needed a way to proactively monitor their Purchase Card (P-Card) spend. The client's primary monitoring objectives were to gain visibility into company spending, promote policy compliance, and influence employee actions going forward. The client implemented its P-Card program with Citibank, and currently uses Concur to reconcile expenses.

⚑ BUSINESS CHALLENGE

Just prior to partnering with Oversight, the client launched its P-Card program and felt motivated to increase P-Card use for both the number of transactions involving the P-Card and the total value of the transactions. The key drivers for this motivation were to maximize P-Card rebates and reduce the delays and overhead costs associated with processing these payments via the accounts payable process. However, in order to successfully achieve its goal, the client needed to address a key barrier to card adoption, specifically operational spend control

and the associated risk of decentralized purchasing.

The client's previous process for analyzing P-Card transactions was largely manual and sample based, but the client quickly determined that random samples were problematic for identifying improper P-Card use. In order to detect potential fraud, the random sample had to stumble on suspicious activity. Further, a sample based approach limited the card administrator's ability to influence employee behaviors, evaluate the effectiveness of policies, maximize preferred supplier use, understand root causes for policy violations, and manage card spending limits.

In the absence of an automated transaction monitoring solution, the card administrator was also burdened with setting complex spend restrictions by merchant category codes, merchants, dollar thresholds, weekend use, etc. These restrictions not only created an overhead for the card administrator to manage, but also interfered with cardholders' routine business operations. To address these challenges, the client decided to implement an automated transaction monitoring solution that allowed them to proactively address policy compliance. After evaluating several solutions, the client selected Oversight Insights On Demand for P-Card.

SOLUTION

In 2012, the client implemented Insights On Demand to monitor 100% of its P-Card transactions on a daily basis. The Insights selected by the client focused on identifying out of policy purchases, split transactions, purchase outliers and nominal or excessive use of the P-Card. The Insights chosen were then tailored. to the client's policies via parameters and exclusions directly set by the client.

The Insights work by combining sophisticated analytical techniques such as statistical, temporal or time-based, behavioral and fuzzy logic to precisely identify alerts that merit human review and action. Once found, these alerts are presented in Oversight's web based, workflow enabled application—the Workbench. Simple, plain language description embedded within the alerts allows users to quickly review and resolve issues. Further, end users are able to focus on critical findings as the alerts are presented in a prioritized manner, while "actor-centric" views allow the client to focus on repeat offenders in the employee or merchant population. The workflow capability also enables end users to collaborate and engage a larger audience in the resolution of issues, with each workflow step automatically tracked in the system to provide documentation of the remediation efforts. These Workbench capabilities provide the client with the ability to focus on the highest risk travelers, the most commonly abused merchants and merchant category codes, and the most common out of policy purchases. This information allows cardholders to be coached, as policies can be reviewed to better address P-Card program objectives and controls.

In addition to the Workbench, Insights On Demand includes a management dashboard to perform aggregate spend and exception analysis across several dimensions including geography, organization, employee, spend category and merchant. Via the dashboard management users gain valuable insights into overall program realities related to spending and policy compliance.

BENEFITS

With Insights On Demand, our client increased its view of P-Card transactions from sample-based reviews to 100% automated review with an emphasis on policy effectiveness, employee behaviors, and the root causes of policy violations. Because Insights On Demand automatically narrows results into the highest priority items for human review, the client was able to manage the process with approximately half the full time resource equivalent. Our solution has enabled the client to lower their card administration overhead and safely increase card-spending limits. Within a year of implementing Insights On Demand, the client has nearly tripled P-Card spend and enjoys greater rebates from its card provider and preferred supplier network.

The client continues to rely on Insights On Demand as a detective control for P-Card spend, thus enabling them to safely add new spend categories to the P-Card program and issue new P-Cards to additional employees.

ABOUT OVERSIGHT

Oversight is the world's leading provider of AI spend management and risk mitigation solutions, digitally transforming how large organizations analyze and mitigate their enterprise spend risk - across travel & expense, purchase card (p-card) and payables entries. Working across these disparate financial data sources, Oversight leverages patented and proven analytical techniques to automatically uncover potential fraud, misuse, and errors, as well as hidden risks and patterns that would lead to greater financial loss if left undetected. Oversight helps create a culture of compliance that reduces out-of-policy spending by 70% while maximizing audit efficiency and eliminating cash leakage.

To request a demo of Oversight, please visit info.oversight.com/demo.

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